



## Petrol to rise up 20% by Aug. 1

By KEN SHACHTER  
For The Jerusalem Post  
TEL AVIV. — The Energy Ministry is considering raising petrol prices as much as 20 per cent when it implements its controversial fuel deregulation plan on August 1, Energy Minister Moshe Shahal said yesterday.

If the plan goes through, it will mark the end of 13 months of stability at the pump. At 85 agorot a litre for 96-octane high test, and 74 agorot for 91-octane regular, Israeli petrol is currently running at about 30 per cent lower than the average Western European price, and half the Italian prices.

Shahal promised that prices would remain below European levels. Most experts said they expected petrol prices will go up 10-20 per cent.

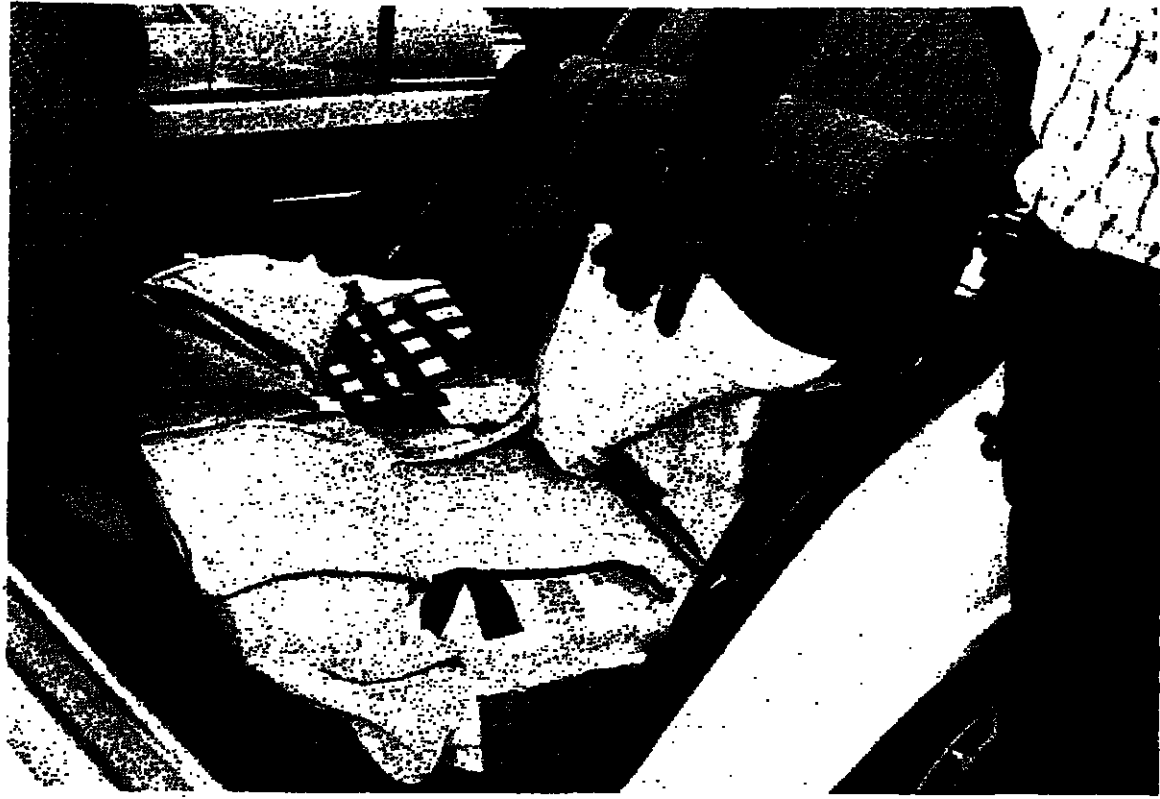
Pressure to raise prices has built up as the average world price of a barrel of crude oil has risen from a low of \$10 in 1986 to about \$18 today.

The timing of any price increase will depend on talks with the Ministry of Industry and Trade, Shahal said.

The energy-sector liberalization scheme, due to go into effect in a month and a half despite the opposition of the big-three fuel companies, will introduce price competition in petrol and in oil by-products, Shahal said. Competition today among petrol stations focuses almost exclusively on credit terms.

The plan is designed to break the domestic oil companies' grip on imports by allowing five major consumers to enter the international crude market for their own needs. The

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Nylon bags packed with heroin are shown stuffed inside the back of the rear seat of the Peugeot 205 at Ashdod port yesterday.

## Narcotics squad seizes five suspects

## \$7m. heroin haul in Ashdod

By BERNARD JOSEPHS  
Jerusalem Post Reporter  
Drug squad officers yesterday ambushed a gang of narcotic smugglers and captured Israel's biggest ever haul of heroin. More than seven kilos of the drug, worth over \$7 million, was snatched by the Tel Aviv district narcotics squad during the operation at Ashdod port.

Five people, including a former Israeli who is now a French citizen, were arrested.

Jubilant police officials said the raid was a major blow against drug racketeers now believed to be doing \$1 billion worth of business a year in this country.

It came as Police Minister Haim Bar-Lev was in Vienna addressing an international conference on drug crimes, and as the police's recently declared all-out war against the narcotics menace shifted into top gear.

Police sources said the operation followed weeks of intensive undercover intelligence work, some of it in cooperation with police abroad.

The heroin, packed in 20 nylon bags, was discovered behind the back seat of a Peugeot 205 that arrived in Ashdod on a ship from Belgium.

It is known that the Israeli and Belgian police maintain close cooperation in their bid to halt the drug trade. Narcotics squad officers from Tel Aviv were ready to swoop when the car arrived in Ashdod on Monday. But they held back until yesterday when members of the alleged gang turned up at the port to claim the vehicle.

The French citizen is a former resident of Kfar Sava. The other suspects are a 48-year-old Ashdod resident, a Kfar Sava man released from prison six months ago after serving a two-year sentence, and two Petah Tikva residents.

The raid was the biggest blow struck by police against heroin smugglers. According to internal police figures, 13,000 grams of the drug were seized last year, compared with 6,500 grams in 1985.

## Dispute with government intensifies

## Egged cuts rural lines in new move

By JONATHAN KARP  
For The Jerusalem Post

TEL AVIV. — Egged yesterday broadened its three-day strike, threatening even more cuts in services as the dispute between the bus cooperative and the government intensified.

In addition to stopping all its inner-city bus services at 7 p.m., Egged brought its rural lines to a halt at 6 p.m., depriving residents of kibbutzim and moshavim of public transport. Services on all lines are to resume this morning.

The Egged executive is due to meet this morning, as it has during the past two days, to decide on the strike action they will take today. Egged officials continue to assert that they oppose a full strike, but at the same time, they argue that they may be forced to declare one if the government does not allocate required funds.

The Transport Ministry yesterday filed charges against Egged at the Tel Aviv Magistrates' Court, accusing the cooperative and its chairman, Shlomo Levin, of violating the law by failing to provide service under

the conditions of its licence. The case is to be heard on Sunday.

In addition, the Israel Consumers' Association is planning to submit a petition this morning to the Jerusalem District Court to force the Egged drivers back to work at night.

The Transport Ministry yesterday indicated that it would consider more drastic action than simply prosecuting Egged, if the cooperative did not resume its night-time service and return to the negotiating table. Ministry officials claimed they would consider revoking Egged's licence altogether and seek a contract with one or several other bus companies.

The government is trying to ease the pressures caused by the disruptions. Acting Transport Minister Moshe Arens and Finance Minister Moshe Nissim yesterday signed an order allowing private vehicles to charge passengers for rides along the bus routes affected by the strike.

Private cars are allowed to charge the same rates that taxis agreed to on Tuesday — NIS 1 for rides of less than five kilometres and NIS 2 for longer rides. In rural areas, the order permits regional council vehicles to be used at the rate of NIS 1 for the first five kilometres and an additional

shekel for every 10 kilometres.

This arrangement was reached with the cooperation of the Association of Insurance Companies, which agreed to insure the drivers of private vehicles operating during the strike.

The dispute was marked yesterday by sharp attacks against Egged by Transport Ministry officials, especially the ministry's director-general, Baruch Levy. He criticized Egged for blocking all attempts to resume negotiations for a new contract.

"It's not complicated [to reach a new agreement]," Levy said, "but when one side is not interested, it begins to get complicated."

The last contract expired in September 1986, and the most recent attempts to draw up a new agreement were broken off before this week's strike.

Levy charged that Egged's dire financial condition was self-inflicted, and not caused by the alleged failure of the government to fulfil its subsidy and aid obligations. He said that the government had transferred nearly NIS 110 million to the cooperative in the last two to three months.

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## Shamir: African ties vital

ON THE PLANE TO YAOUNDE. — "I am not convinced that people in the West have sufficient understanding or sensitivity regarding the problems of Africa," says Prime Minister Shamir shortly after his departure from Kara, Togo, at the end of the first leg of his tour of West Africa. "Perhaps they don't believe that there is a chance for rapid progress."

I ask him what is the point of Israel's unremitting efforts to reestablish ties in Africa aside from straightforward humanitarian concerns.

"It has a political value. One more state and then another state...it's contagious. It reduces our isolation and gives us votes in

the UN." In the long range, Shamir adds, it may well result in economic benefits for Israel. "Perhaps Togo will discover oil."

Shamir says he greatly enjoyed the Togo visit. "You learn things. They are creating something, in difficult circumstances, with meagre means."

The Prime Minister was impressed by the series of public rallies and march-pasts organized by Togo President Gnassingbe Eyadema in his honour. The Togolese were spontaneous and sincere and very beautiful, he said.

He noted that they expect a great deal of Israel, "which they see not as a country that wishes to dominate (them) but as a people emerging from the Bible and embodying the virtues of science and medicine."

Shamir noted that the Togolese remember Israel's good work back in the 1960s in the establishment of their Nahal-like pioneering youth corps.

Does that corps exist? I asked. "I don't know," said Shamir. "I think not. It has metamorphosed into something else. But everyone I met who had been in the (Togolese) Nahal remembers it with admiration."

Shamir was impressed immensely by Togolese organization, precision and promptness. "Everything is organized in an exemplary fashion. The promptness probably dates from the (pre-World War I) German colonial period."

"Eyadema continuously looked at his watch before and during the ceremonies. One time he noted with sadness, 'we are two minutes late.' Yes, we can certainly learn from them."

"There is a small but high-calibre intelligentsia in Togo," Shamir said.

What about the one-party state? "Well, you see, Eyadema explained this to me. Democracy, in general, is a problem for Africa....They used to burn each other's houses. There was violence — until he decided to create unity or what he calls unity and so they established the single party (the

(Continued on Page 2, Col. 1)

## Communists to lead multi-party group for Moscow dialogue

By MENACHEM SHALEV  
Post Political Reporter  
The Rakah Communist Party announced yesterday that a high-level Israeli political delegation would travel to Moscow next month to conduct a "dialogue" with senior Communist Party officials.

The delegation will include the secretaries-general of four parties, MKs Uzi Baram (Labour), Elazar Granot (Mapam), Meir Wilner (Rakah) and Shulamit Aloni (Citizens Rights Movement), as well as MKs Ora Namir and Haim Ramon and a group of academics.

On Monday, Rakah announced that a two-man party delegation would visit the People's Republic of China next month, the first such visit in 25 years. A 15-member Israeli women's delegation, which includes Namir and Mapam MK Chaike Grossman, leaves today for Moscow to participate in a conference of the East Berlin-based Democratic Women's Organization.

MK Tewfik Toubi arrived yesterday in Moscow to make final arrangements for the political delegation's visit. Rakah spokesman Uzi Burstein said yesterday that this was the first time the Soviets had invited such high-level people for the specific purpose of conducting a "dialogue." He said that the delegation, which had been invited by the Soviet Peace Committee, would meet with senior Soviet officials and discuss the situation in the Middle East.

On the diplomatic front, Foreign Ministry officials said yesterday that they had still not received official word of a Soviet request for visas for a consular delegation. Soviet Foreign Ministry spokesman Gennady Gerasimov said on Monday that a request had been submitted to the

Dutch Embassy in Moscow. Gerasimov rejected the notion of a reciprocal visit by an Israeli delegation.

Political differences between Labour and the Likud on the issue of reciprocity appeared to be developing yesterday. Sources close to Prime Minister Shamir and some Likud ministers said that Israel should not grant visas to the delegation if the Soviets do not allow an Israeli delegation to visit Moscow.

Israel's demand for reciprocity was first raised in Helsinki last August.

At the beginning of this year, following a renewed Soviet request, the Foreign Ministry agreed to grant the visas to the consular delegation and to overlook the lack of reciprocity. But the Soviets cancelled their request.

Gerasimov on Monday explicitly ruled out a reciprocal Israeli visit, saying that "no Israeli group is going to visit my country."

Hebrew University Prof. Amnon Sela yesterday protested against the fact that Rakah was being allowed to acquire a "monopoly" on Soviet-Israeli contacts. He said that although no harm could come from its mediation, "efforts should be made to widen the circle."

Sela said that the Soviets were using the party in order to offset criticism from their Arab allies. He said that the changing Soviet attitude to Israel comes in the wake of General Secretary Mikhail Gorbachev's glasnost policies and Soviet efforts to gain points with the U.S.

Sela added that through Gerasimov's Monday statement the Soviets had "thrown down the gauntlet," and that Israel's response should be "sophisticated." "Reciprocity need not be symmetrical," he said.

## Shin Bet agent: Gov't gave OK for contacts with PLO

Jerusalem Post Reporter and Itim

RAMLE. — Several Israelis met with PLO officials with the approval of the Israeli government, a Shin Bet agent said in court here yesterday. Israel Radio reported that the agent said that among the people who met with PLO officials with government approval were Lova Eliav and Uri Avnery.

The agent also said that the positions of PLO representatives who met with Israelis became more moderate after these meetings.

The Shin Bet agent was testifying on the first day of the trial of four leftists who met with PLO members in Romania last November.

According to the Army Radio the Shin Bet man referred to as "Reuven," testified in camera and told the Ramle Magistrates Court that the PLO consists of both political and military elements, and that the political front had been strengthened by meetings with Israelis.

An English member of Amnesty International and a French lawyer from a Paris-based humanitarian organization were present in the courtroom, which was filled with supporters of the accused.

The four, Latif Dori, Yael Lotan, Eliezer Feiler and Reuven Kambar, are being tried under an amendment

(Continued on Page 2, Col. 2)

## Israel to expand aid to Cameroon

By BENNY MORRIS  
Jerusalem Post Reporter

YAOUNDE. — Israel and Cameroon yesterday agreed on a substantial expansion of Israeli technical aid to this central African state and Cameroon President Paul Biya assured visiting Prime Minister Yitzhak Shamir that his country would "soon" send an ambassador to Israel.

Cameroon, the second country on Shamir's African tour, renewed diplomatic relations with Israel nine months ago but has procrastinated thus far regarding the posting of its ambassador.

Shamir, at a press conference here after an afternoon of talks with Biya and senior Cameroon officials, said that Biya himself raised the subject and said that no ambassador had

been sent because he, Biya, "had not found a suitable candidate." But Biya, said Shamir, had assured him that one would be sent soon.

At the press conference Shamir noted that 50 Cameroon agronomists had been to Israel during the past nine months and that Israel and Cameroon had agreed to substantially expand Israel's help in developing Cameroon's arid zones. Shamir said that a Cameroon delegation would soon come to Israel.

Shamir also said that the two countries agreed to "draw up a project to develop fisheries" in Cameroon, and to set up a regional centre in Cameroon for the "training of cadres in agriculture and health care which would serve the other countries in the area."

While it is understood that Israel is bent on increasing its economic and technical aid to Cameroon and, proportionately, to reduce its defence and security aid, Israel instructors will continue to train the Cameroon Presidential Guard who wear violet berets, like the Givati brigade and other military units.

Shamir at the press conference denied that Israel's military and "security" aid help prop up African regimes and rulers, and said that this aid was geared to "protecting state rather than regimes." He added that Israel was also cooperating with African regimes in combating "international terrorism."

Shamir said that Zionism and Israeli help to Africa was rooted in

(Continued on Page 9)

## Shahal blasts 'harmful' Labour acts

By MENACHEM SHALEV

The cracks in the Labour Party's unified front are growing more and more visible. Yesterday, Energy Minister Moshe Shahal, while maintaining that there was "no alternative" to Foreign Minister Peres's leadership, nonetheless ripped into many of the Labour leader's latest political moves.

Labour's leaders have recently caused the party "absolutely unnecessary damage," said Shahal, by making "harmful and superfluous moves, without due consideration or consultation, and without notifying any authorized party forum."

Speaking to political reporters in Tel Aviv, Shahal specifically blasted the handling of the international conference crisis, including the "half-baked" idea of a national referendum on the matter, the much-

criticized central committee attack on Abba Eban and his Pollard report, and the failure to rustle up a Knesset majority for early elections, all of which could be traced back to Peres.

Shahal, obviously not one of the lawyers consulted by Peres on the referendum, handed out a four-page written rebuttal of the idea. A referendum would undermine the authority of the Knesset, Shahal said, would be incompatible with Israel's constitutional makeup, would not be binding on the authorities and could just as easily be used by Labour's rivals.

"It's a populist tactic," he said. "If there is no way to pass the international conference idea through the accepted parliamentary channels," wrote Shahal, "then how will it be possible to pass a law

supporting a referendum on the matter?"

The central committee meeting on Eban was a "mistake," Shahal said, pinning the blame for the debacle not only on Peres, but also on party secretary-general Uzi Baram, "who should have consulted with other people" before complying with Peres's request.

Shahal maintained that the Labour-Likud deadlock on the international conference was not final. He said that "two Herut ministers and one MK" had told him privately that the cabinet couldn't just reject the idea outright; and he believed that a "20-point" agreement between Labour and the Likud on mutually acceptable parameters was still feasible.

If such an agreement is not

(Continued on Page 2, Col. 6)

## Signs grow of Soviet military shake-up

MOSCOW (Reuters). — Signs of a major shake-up in the Soviet military grew yesterday as Moscow air defence chiefs were accused of demoralizing troops by bullying, idleness and corruption.

The Defence Ministry newspaper *Krasnaya Zvezda* said Marshal Anatoly Konstantinov, commander of air defence forces around the

Soviet capital since 1980, had been removed earlier this year.

The newspaper said two air force generals, an army general and a colonel, and an unspecified number of other officers had been expelled from the Communist Party, a normal preliminary to dismissal from military posts.

Konstantinov, accused of putting

himself above the party and being dictatorial, was apparently removed before West German Matthias Rust landed a light plane near Red Square last month.

But the *Krasnaya Zvezda* report of a meeting of the party organization of air defence forces made clear he was responsible for reducing the effectiveness of forces under his command.

Foreign analysts in Moscow said although the expulsions and accusations of inefficiency referred to Moscow, they were a warning to all Soviet military to tighten vigilance.

The analysts said the dismissals demonstrated party authority over the armed forces, which have been accused of laxity for allowing Rust, 19, to fly almost to the door of the Kremlin on May 28.

Two days after Rust's flight across heavily-guarded Soviet territory between the Baltic Sea and the capital, Defence Minister Sergei Sokolov and the chief of the country's air

defences, Alexander Koldunov, were removed.

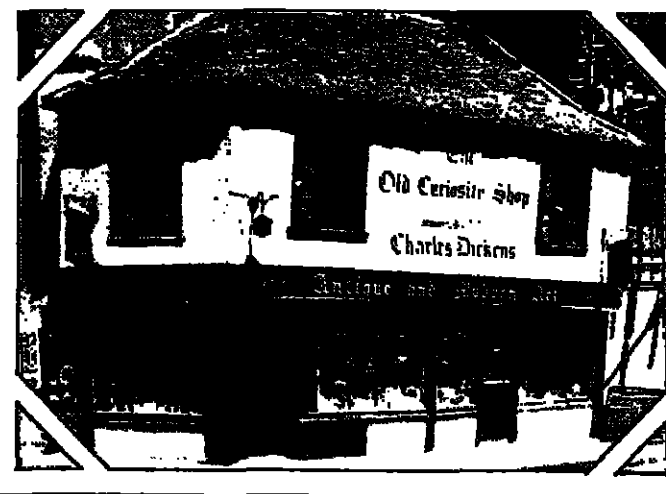
*Krasnaya Zvezda* reported Moscow regional party chief Boris Yeltsin, closely linked to Soviet leader Mikhail Gorbachev, as fiercely criticizing military chiefs at the air defence meeting.

It quoted Yeltsin as saying commanders in the Moscow military district had ignored Gorbachev's reconstruction programme aimed at reforming of Soviet life. Addicted to old-style, dictatorial leadership, they feared innovation, he said. The mistakes of years had led to a collapse of discipline, preparedness, nepotism and protectionism.

Military training had suffered due to officers' inefficiency and bullying, leading to lack of discipline and demoralization among the troops.

The commanders sacked from the party were identified as air force Lieutenant-General N. Markov and Major-General V. Reznichenko, army Major-General Y. Brazhnikov and Colonel V. Yakubenko.

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BRUSSELS	14	14	17	Cloudy
CHICAGO	14	14	17	Cloudy
COPENHAGEN	14	14	17	Cloudy
FRANKFURT	14	14	17	Cloudy
GENEVA	14	14	17	Cloudy
HELSINKI	14	14	17	Cloudy
LONDON	14	14	17	Cloudy
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## THE WEATHER

	Yesterday's	Yesterday's	Today's
	Humidity	Min-Max	Max
Jerusalem	32	18-28	30
Golan	26	16-31	32
Nahariya	24	20-28	28
Safed	24	18-29	30
Haifa Port	28	22-36	37
Tiberias	28	22-36	37
Nazareth	38	18-30	31
Afula	40	18-32	33
Shimon	43	18-30	31
Tel Aviv	75	20-28	32
B-G Airport	57	19-31	32
Jericho	31	21-38	39
Gaza	72	22-38	28
Beersheba	77	16-34	35
Eilat	19	24-38	35

## SOCIAL &amp; PERSONAL

Knesset Speaker Shlomo Hillel yesterday received at the Knesset the Minister of Foreign Affairs of the Netherlands Hans van den Broek and Mrs. van den Broek.

Two endowment funds in the name of Prof. Milton Rosenbaum—one for research and one for doctoral fellowships in the Paul Baerwald School of Social Work—were dedicated yesterday in a ceremony at the Hebrew University in the presence of Prof. Rosenbaum and his wife Jean, in whose name a garden was also dedicated in the Jerusalem and University Botanical Gardens. University chancellor Abraham Harman presided.

## ARRIVALS

John and Laura Pomerantz with their children, Marty and Susan, for the naming of the Fred P. Pomerantz Centre for Technological Education at Boys' Town Jerusalem.

## SHAMIR

(Continued from Page One)

Togolese People's Party... Shamir came away extremely impressed by Eyadema. "He is a wise man, with a wide perspective, a rich experience of life. He understands the problems and needs of all the strata and groups in (Togolese) society."

Eyadema "is pained by the backwardness (of some of Togo's) society and his ambition is to bring progress. He is also a proud patriot, proud of the virtues of his people." While aware of Israel's limitations as an aid-giving country, Eyadema trusts that we will be able to help Togo with expertise says Shamir, referring to agriculture as "the top priority."

"There was a time when all the African leaders spoke of and attempted industrialization. But it was an absolute failure. Now all the experts believe that (the African States) must develop their agriculture in the villages (and stop) the movement from the rural areas to cities, which have no economic base. "They are good people, and we must help them."

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## IDF tanks, artillery aid SLA against Hizbullah and Palestinians

## Heavy clashes in S. Lebanon

By JOSHUA BRILLIANT

Post Defence Reporter

TEL AVIV. — Israeli Air Force and South Lebanese Army soldiers engaged Hizbullah and Palestinian gunmen in several clashes in South Lebanon yesterday.

At least five people were killed and nine were injured in the clashes, according to news agency reports from Lebanon. Five of the wounded were SLA troops.

The first attack was launched by Israeli helicopters, which flew some 18 km. north of the border and reportedly fired five rockets into a two-storey structure in central Kabriha, slightly damaging it. Reports from Lebanon said the target was a mosque, but an authoritative IDF source denied this. "There are no mosques in Kabriha; I have the aerial photos," the source said.

According to the IDF spokesman, the target was "a base from which Hizbullah members

organized and launched attacks in the Security Zone." Kabriha is seen here as a hotbed of Hizbullah activity and all raiders in the area leave from or pass through it. Lebanese police said one man was killed in the raid.

Kabriha was also attacked on Tuesday after Hizbullah gunmen fired at an SLA tank, wounding one of its men. Helicopters were seen overhead shortly after the attack while troops were searching for the raiders.

At about 9 a.m. yesterday, an IDF force spotted several gunmen south of Kantara. Three bodies were later found in a wadi. The heavy shelling also damaged some of Unifil's telephone wires, but the force's men were unharmed.

Later in the afternoon, jet fighters attacked a structure on the outskirts of the Ein el-Hilwe refugee camp near Sidon.

According to the IDF spokesman the target was

the "headquarters of terrorist organizations." He did not identify the organizations.

Reporters in the area said four jet fighters made three bombing sorties in 15 minutes. The building was demolished.

There were conflicting reports, however, on whether Palestinian fighters fired back at the aircraft. Reports from Sidon said the Palestinians fired 23mm. anti-aircraft guns but IDF sources denied this.

One person was killed and four were injured in that raid," Lebanese police said.

Meanwhile, attackers struck yesterday in the Ali Tahaa range in the Aishiyeh area, some 40 km. from Kabriha.

In one incident they fired five mortar shells which injured three SLA soldiers, and in the second attack they detonated a roadside bomb while an SLA patrol passed. Two soldiers were wounded in that attack.

## Dehaishe rioters out on bail

By ANDY COURT

For The Jerusalem Post

The six Kiryat Arba settlers detained for a week and a half on charges of rioting in the Dehaishe refugee camp were released on bail yesterday, on condition that they remain in their homes every day from 9 p.m. to 6 a.m. and stay away from the refugee camp.

The prosecution and defence attorneys reached the agreement at the urging of Jerusalem District Court Judge Ezra Hadaya.

Each of the suspects was ordered to deposit NIS 5,000 by Sunday and post bail of NIS 50,000. They must report to the Kiryat Arba police every day and are forbidden to go near the Dehaishe and el-Aroub refugee camps on the Jerusalem-Hebron highway.

The six — Ya'acov Ben-David, Shmuel Meidat, Andre Jayefsky, Meisha Mishkan, Avner Gilboa, and Mordechai Pollak — are not, however, specifically forbidden to travel along the highway.

Earlier, defence lawyer Elyakim Ha'etzi told the court that the detainees and their companions did not go to Dehaishe to "punish" the inhabitants, but to demonstrate against the number of stones that had been thrown from the camp at Israeli cars.

The disturbance that ensued, he argued, was provoked by the camp residents who threw stones at the settlers before the settlers had done anything.

## GOVERNMENT

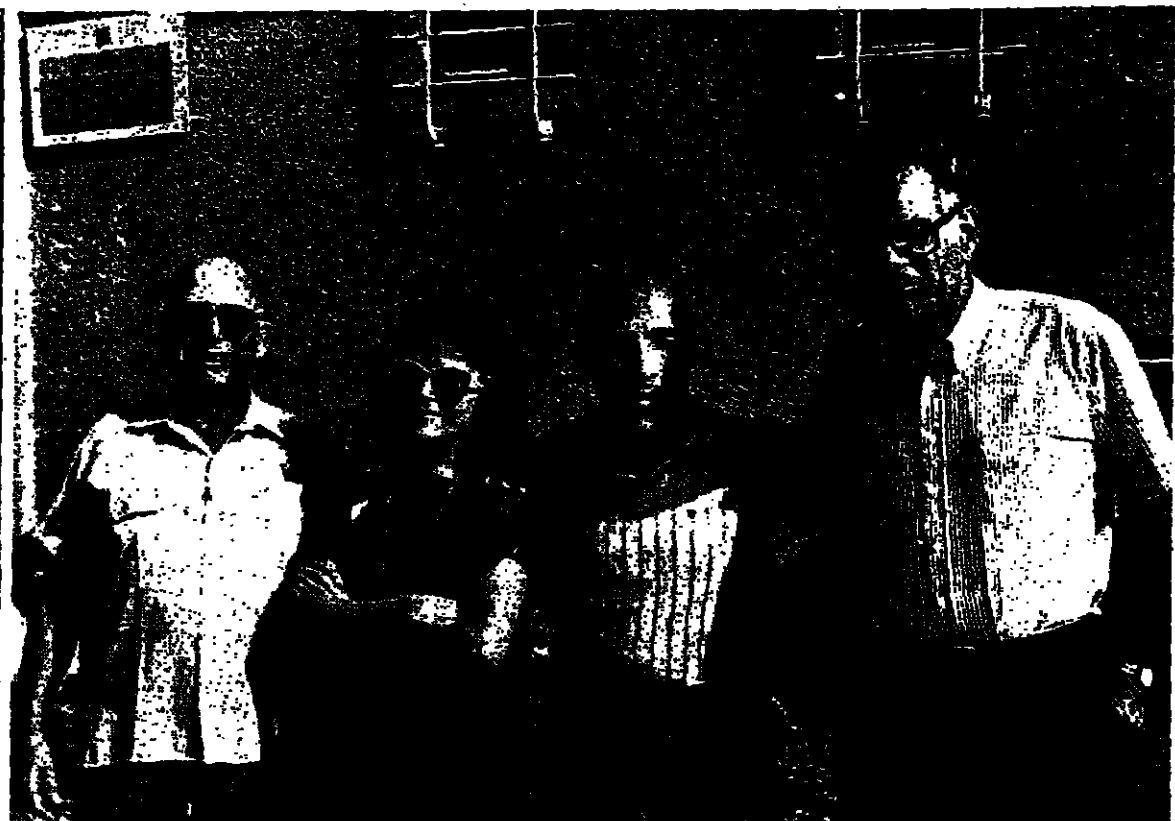
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to the Terror Prevention Ordinance, which forbids contacts between Israeli citizens and members of terror organizations.

After Rubinstein's brief testimony, he was cross-examined by defence lawyers Amnon Zichroni and Avigdor Feldman for nearly three hours. The defence tried to show that the PLO, as an umbrella organization for several Palestinian groups, was not a terror organization and hence the four did not break the law by meeting with the PLO officials in Romania.

## Soldiers' Welfare Association results

TEL AVIV (Itim). — The first three winning numbers drawn in the Soldiers' Welfare Association lottery yesterday were: 5898643, which won a 42-day round-the-world airline ticket for two; 4507686 and 5860315, which both won Ford Sierra 1600 cars. Other prizes included five 50cc. mopeds.



The four members of the leftist delegation which met with PLO officials in Romania last November pose outside the Ramle Magistrates Court, where their trial opened yesterday. From the left, they are Eliezer Feiler, Yael Lotan, Latif Dori, and Reuven Kammer. Story page 1. (Andre Brummann)

## Ex-Justice Ministry chief aiding Shin Bet

By MENACHEM SHALEV

Jerusalem Post Reporter

Former Justice Ministry director-general Zvi Terlo, currently practicing as a lawyer in Jerusalem, is assisting the Shin Bet in its legal preparations for the hearings of the judicial commission of inquiry into the service's interrogation techniques.

Terlo, 54, who also served as deputy president of the National Labour Court, was a prosecutor in the 1961 Eichmann trial and the 1956 Kafr Kasim trial, and represented then-defence minister Ariel Sharon before the judicial commission of inquiry into the 1982 Sabra and Shatila massacres.

Shin Bet operatives have hired Tel Aviv attorneys Yuval Levy, Yehoshua Gelbard and Dov Weinglass to represent them.

Meanwhile, MK Uriel Lynn said yesterday that he was pressing ahead

with the Knesset Law Committee's examination of the laws regulating the Shin Bet investigations. Knesset Speaker Shlomo Hillel has ordered the Law Committee's sub-committee hearings halted, citing reasons of state security. Hillel's step followed an urgent appeal by the Shin Bet.

Lynn said yesterday that both Hillel and the Shin Bet had acted hastily, without first consulting him or Law Committee chairman Eli Kulias. He said that his probe was aimed only at evaluating the legal situation concerning Shin Bet interrogations, and would not investigate the actual methods of interrogation.

Lynn added that it was highly doubtful that Hillel had the authority to halt his subcommittee's hearing. He said that the speaker's power to remove a motion from the agenda of the Knesset plenum did not apply to the work of the committees.

## Shahal seeks move on Waqf

By MENACHEM SHALEV

Post Political Reporter

Energy Minister Moshe Shahal yesterday submitted a proposal to the government to set up a committee to recommend ways of transferring state-held Waqf (Moslem religious trust) properties and profits back to Israel's Moslem community.

Substantial property held by the Waqf was transferred to the Custodian for Absence Property after Waqf officials fled during the War of Independence. The proceeds from the Waqf properties have since been deposited in the state's coffers. Shahal said yesterday that the current

state of affairs was a "stark anachronism," and proposed that a committee be appointed of Supreme Court Justice Aharon Barak, former justice Alfred Witkon, Hebrew University Professor Aharon Layish and former foreign ministry director-general Yosef Ciechanover. All his candidates have agreed to serve, Shahal said.

Minister-without-portfolio Moshe Arens said that his office had also been preparing a proposal on the Waqf properties. As in the Dirit and Biram issue, both Labour and the Likud are likely to try to take credit for promoting the issue.

## Hebrew Book Week draws crowds

Jerusalem Post Reporter

TEL AVIV. — Book-lovers flocked to outdoor book stands as Hebrew Book Week opened last night.

The main displays are in Kikar Ma'abei Yisrael here, and in Jerusalem's Liberty Bell Garden.

Some 30,000 titles are being offered at discounts of 25 to 40 per cent during the annual event, which is sponsored by the Hebrew Publishers' Association, in cooperation with the municipalities, the Educa-

tion Ministry and the Hebrew Writers' Association.

According to Dan Ronnen, deputy director for cultural affairs at the Education and Culture Ministry, some 12 million books are printed in Israel each year.

Public readings are planned throughout the week. Israel Radio's second channel is being staffed today by novelists and poets, and on June 21 Army Radio will devote all its programmes to literature.

The Israel Academy of Sciences  
The Hebrew University of Jerusalem  
INVITE THE PUBLIC TO  
**The Annual Jacob Talmon Memorial Convention**  
The Award of the Jacob Talmon Fellowships  
Prof. Ze'ev Sternhell/ Jerusalem  
From Left to Right — Factors in the Growth of Fascism  
Prof. Jay Winter/ Cambridge  
World War I in Retrospect: Day of Judgment as Melodrama  
Commentator:  
Prof. George Mosse/Jerusalem — Wisconsin  
On Tuesday, June 23, 1987 at 5.00 p.m. at the  
Israel Academy of Sciences, Albert Einstein Square.

## Dutch support peace parley, Peres told

By BERNARD JOSEPHS

Jerusalem Post Reporter

Foreign Minister Peres, bent on winning European support for an international peace conference, has the Dutch solidly behind him.

Not that Holland's visiting Foreign Minister Hans van den Broek would say a word about the dispute over the talks now raging between Peres and Prime Minister Shamir.

"I am not in a position to choose sides in your domestic political arguments," he declared. "If my view and the view held by the EC coincide with the view held by certain groups here, then let's say it is pure coincidence... Of course it would be easier if the Israeli position was unified, but it is not for me to comment."

Coincidence or not, Van den Broek, talking yesterday at his Jerusalem hotel, left no doubt about his government's stand on the issue.

"I'm a typical Dutchman. I have warm emotional feelings about Israel, but I also have the conviction that it must take bold steps if peace is to come," he said. "To this end we are strongly in favour of an international peace conference. We fully endorse the view that peace and stability can only come from negotiations."

Both the Soviets and PLO would have a role to play in an international conference, Van den Broek suggested. And Israel's position would have to be made clearer.

He went on: "Certain developments in the Soviet Union in the past year suggest they may play a constructive part. We believe there

would be a role in the talks for all permanent members of the UN Security Council."

On the question of PLO participation, the Dutch politician, who met with Yasser Arafat in Tunis last June, said it was "realistic" to recognize that for the larger part of the Palestinian people the PLO was "the symbol of their aspirations."

He continued: "I have a full understanding of the strong, emotional resistance that exists in Israel against the idea of PLO participation."

"But it is also very difficult for the Palestinians to accept a position in which others would choose who should represent them. We have discussed this with the leaders of this country and I hope an adequate solution will be found."

At a press conference last night Van den Broek repeated his call for an Israeli initiative to boost the peace process. "There are breathtaking questions on the table and an active role from Israel is what we would expect," he said.

He added that the biggest block to progress was the number of parties involved in the Middle East dispute.

An agency report published in *The Jerusalem Post* yesterday stating that Van den Broek and Peres had agreed to set up a joint Israeli-EC committee to study direct exports from the territories to the community was inaccurate. The matter was discussed at the meeting but no such agreement was reached, both Dutch and Foreign Ministry sources said.

## Monitin monthly reveals:

## 'Labour turned down Hurvitz before merger with Likud'

Jerusalem Post Staff

Yigael Hurvitz's Ometz Party, whose proposed merger with the Likud has caused a furor among many Likud MKs, sought three secure places on the Labour Party's Knesset list before signing with the Likud, according to an article in the forthcoming edition of the Hebrew monthly *Monitin*.

The magazine, citing drafts of the agreement Ometz proposed to Labour, reports that Hurvitz and Zalman Shoval asked for one place among the top five on the Labour list, a second in the top 20, a third between the 35th and 40th places, and additional spots in each of the

following 10 places.

Hurvitz and Shoval also asked for representation in the Knesset Foreign Affairs and Defence Committee, the Knesset Finance Committee, the World Zionist Organization, and the World Jewish Congress, as well as in local authorities and on the boards of state-owned corporations.

The Labour Party rejected as excessive the proposal by Ometz, which is currently represented in the Knesset by one MK, Yigael Hurvitz.

The proposed union with the Likud includes a prominent place for Hurvitz and a secure position for Shoval on the party list.

## 62 violent attacks on social workers over the past year

By LEA LEVAVI

TEL AVIV. — There have been 62 cases of violence against social workers in social service offices over the past year, according to statistics issued by the Social Workers' Union at a press conference here yesterday.

The union will hold a memorial service at Beit Hahayal at 9:30 a.m. on Sunday, the first anniversary of the murder of social worker Amy Levine, who was killed trying to protect a client from the client's violent husband.

Yosi Galosh, head of social ser-

vices in Bat Yam and chairman of the union's public relations committee, said 11 of the 62 incidents involved physical attacks accompanied by threats of murder. In 38 other cases, there was an attack on person or property; most of the remaining incidents involved verbal threats, trespassing or some other unacceptable behaviour.

Only 30 of the country's 160 social service offices have been equipped with protective measures since Levine's murder last year, he added.

## Israel Philharmonic makes 'small operatic revolution'

By ELI KAREV

Tel Aviv is an unlikely spot to make international opera news. And yet tonight's IPO presentation at the Mann Auditorium of Mozart's *Le Nozze di Figaro* is bound to make operatic history for two reasons.

Firstly, the staging. Meeting the press earlier this week, Daniel Barenboim, who conducts the performance, termed it "a small operatic revolution." With no proper orchestral pit available, the players are seated on the stage. The costumes are elaborate, the lighting is highly sophisticated, and not only do the singers act their parts in full amid the laconic props but the orchestra and conductor, too, become integral parts of the proceedings.

"I never saw anything like that," admits Barenboim, who credits Jean-Pierre Ponnelle, his frequent operatic collaborator during the last 10 years, with the unique ability to "stage according to the musical score."

Secondly, *Le Nozze* and the composer's *Don Giovanni* and *Così fan tutte* are to be mounted on consecutive nights, something Barenboim believes has never been done before. "It allows one to grasp the fascinating development of the characters from one opera to another, even though they are not the same." Ideally, Barenboim maintains, the three operas should be performed by the same singers for the same audience.

## SHAHAL

(Continued from Page One)

reached, and if the current stalemate between the two parties continues, Labour should "seriously consider" leaving the government, Shahal said, adding that "it doesn't look like there are going to be elections in 1987."

Shahal blasted the attempts to "buy" MKs to oppose or support early elections, and suggested a Labour-Likud pact to neutralize the votes of these MKs.

He said that the party's leaders are reaching decisions on their own, without consulting other party figures. "If there is no consultation," he said "one should not expect support."

Labour's second line of leadership, he noted, had no backbone as a result of the way they were treated. In this respect, he said, Labour was "definitely inferior to the Likud."

## EGGED

(Continued from Page One)

Egged's expenses, on the other hand, were \$100 million too high, Levy charged. He cited the fact that Egged pays its members their salaries one month in advance and gives them 52 days of vacation each year, or twice the maximum of 26 days accepted in Israel. The latter practice costs Egged close to NIS 30 million each year, Levy estimated.

In response to this attack, Egged spokesman Gideon Talmor called Levy a "demagogue who misquoted the vacation figure in order to turn the public against Egged." He explained that the cooperative's members were entitled to 22 days of vacation. The extra 30 days taken on by Levy were sick leaves.

Other Transport Ministry officials mentioned various Egged irregularities and "corruptions" which were included in the 1986 State Comptroller's report.



## But Koch warns against vigilantism

## Goetz wants to be nobody

NEW YORK (Reuter). — Bernhard Goetz, cleared of all but one charge in the subway shootings of four youths, seeks only to return to the private life he led before the case forced him into the spotlight. (Verdict reported in yesterday's edition of The Jerusalem Post).

"Mr. Goetz would like to go back to being an anonymous stranger in the city of New York," Goetz's attorney, Barry Slotnick, said after the criminal court verdict Tuesday. "All he wants to do now is fade into the woodwork."

The acquittal of Goetz does not mean the city will tolerate people who take the law into their own hands, Mayor Ed Koch said yesterday.

"Some may be apprehensive that the verdict is a signal that vigilantism will be condoned. They are wrong," Koch said in Nashville where he was at a meeting of mayors.

"Vigilantism must be condemned and those who have engaged in such acts must be punished to the fullest extent of the law," he said.

Goetz, charged with four counts of attempted murder, four of assault, one of reckless endangerment and four weapons charges, was convicted of only one weapon charge, which carries a maximum penalty of seven years. His attorneys believe he may be given probation.

The 39-year-old white electrical engineer admitted using his .38 calibre revolver to shoot the four black youths on a New York City underground on December 22, 1984, claiming he was trying to fend off a potential mugging after the four surrounded him and demanded money. He did not have a permit for the gun.

Prosecutor Gregory Waples claimed that the youths were only begging for money and did not menace Goetz.



Bernard Goetz leaves the Manhattan Supreme Court with the protection of several dozen court guards after his trial. (AFP telephoto)

A key to the prosecution case were two video-taped confessions Goetz made on New Year's Eve, 1984, in which he said he was "vicious" and wanted to hurt the youths as badly as he could.

The defence contended that Goetz was still so traumatized by the event that even nine days later the confessions could not be trusted, and juror Michael Axelrod believed that claim.

"Those tapes were a distillation of everything (Goetz) felt in those nine days," Axelrod said in a televised interview. "I thought that I was a broken man on those tapes."

The case polarised the public, with Goetz supporters portraying him as a modern-day vigilante. Detractors

accused him of being a racist, shooting the four 19-year-olds who were "the kind of people he hated."

Goetz, a tall, thin man whose face would never be remembered were it not for the intense media scrutiny brought by the case, spent the night of his victory at his Manhattan apartment, avoiding reporters who knocked on his door.

"I'm glad it's over. The last two years have been hell," Goetz told the driver of the limousine that whisked him away from the court-house chaos.

There was worldwide interest in Goetz's fate from the first reports of the shootings through the last days of his seven-week trial.

## Italian Jews astonished

## Pope will receive Waldheim June 25

VATICAN CITY (Reuter). — Pope John Paul has agreed to meet Austrian President Kurt Waldheim during an official visit to the Vatican next week, drawing an astonished response from Jewish leaders in Italy.

A brief Vatican statement yesterday said the trip, Waldheim's first official foreign visit since his election a year ago amid allegations of involvement in Nazi war crimes, would take place on June 25.

Tullia Zevi, president of Italy's Jewish communities, said the pope's decision could harm Catholic-Jewish relations. "I am astonished. The best thing would have been for the Vatican to follow the lead of all western countries and wait," she said.

Waldheim, 68, was effectively barred from entering the U.S. in April when he was put on a "watch list" of persons to be refused a visa because of suspicion about their war records.

He denies allegations, mainly from the World Jewish Congress in New York, that he was involved in crimes by Hitler's army in the Balkans during World War II.

In Vienna, Foreign Minister Alois Mock said the pontiff's decision was "an exceptional gesture" and linked it to Waldheim's previous work as UN secretary-general.

A Vatican spokesman said the visit was an official one by an Austrian head of State in return for an official trip to Austria in 1983 by the pope. It was not a personal visit.

Vatican officials said the visit was merely part of diplomatic protocol and implied no stand by the Holy See on the controversy over Waldheim's war record.

A spokesman of the WJC condemned the invitation, calling it a "slap in the face to the Jewish people and to the memory of the Holocaust, and a tragedy to the relations between the Catholic church and Jews."

"At a time when the Austrian president is being boycotted by the entire enlightened world," the spokesman continued, "and when he has been declared *persona non grata* by the United States, the pope joins the ranks of leaders like Gaddafi by clearing his name and restoring his respect."



## FOREIGN BRIEFS

## Bonn not expected to extradite Hamadi

BONN (AP). — West Germany said yesterday it will decide on June 24 whether to extradite an alleged TWA hijacker to the U.S., but government sources said the Lebanese suspect will probably be tried here.

Bonn cabinet ministers and top party leaders held a special morning meeting on whether or not to extradite suspected hijacker Moammed Ali Hamadi.

Official sources said Bonn will likely refuse to extradite Hamadi and try him in a West German court instead. The sources said he would be tried for murder and air piracy.

Hamadi, a 22-year-old Shi'ite Moslem, is wanted in connection with the June 1985 hijacking of a TWA jetliner to Beirut and the murder of a U.S. Navy diver.

## North refuses secret testimony, to speak publicly

WASHINGTON (Reuter). — Lawyers for fired White House aide Oliver North have told Iran-Contrat investigators he will not testify in secret session but will tell his story in public next month, the chairman of a Senate committee said yesterday.

Senator Daniel Inouye, a Hawaii Democrat who chairs the Senate Iran-Contra committee, made the surprise announcement one day before North, a central figure in the scandal, was due to testify secretly to congressional investigators.

North has been described as the mastermind of the covert sale of arms to Iran and diversion of profits to right-wing Contra rebels fighting the Nicaraguan government.

## 'Jane's': Iran may be trying to build an atom bomb

LONDON (Reuter). — Iran may be trying to build an atom bomb with Argentine help and has stepped up arms production, *Jane's Defence Weekly* magazine said yesterday.

The London-based magazine said reports of an agreement with Argentina had caused fears that Iran could shortly become a nuclear power.

"Reports that Iran has signed an agreement with Argentina to buy nuclear technology and an unspecified amount of enriched uranium have run alarm bells that the Ayatollah Khomeini's regime may be trying to build a nuclear bomb," it said.

## Fires devastate forest in Inner Mongolia

BEIJING (AFP). — Five fires have been burning since last Friday in a forest of Inner Mongolia, the northern Chinese province which only just escaped the spread of a catastrophic blaze last month in Heilongjiang, the official New China News Agency reported yesterday.

Meanwhile, press reports said disastrous floods due to torrential rain in the north and south have killed some 379 people since late May, stranding hundreds of thousands of people and obliterating hundreds of villages.

The fires in Inner Mongolia have devastated more than 2,000 acres of a 3.75-million-acre forest.

The fires were caused by lightning, the agency quoted the deputy commander of the province's firefighting unit as saying.

## TENNIS

## Graf: tough act to follow

LONDON (AFP). — French Open champion Steffi Graf predicts she will find a repeat performance next week at Wimbledon of her Paris success harder to achieve after studying the draw for the women's singles here.

"The early rounds look good for me but Martina (Navratilova) will be much more determined to win Wimbledon again now that she has lost to me in Paris," said the 18-year-old West German.

"And of course it will be more difficult for me on grass than it is on clay in France."

The world number two does admit, however, that her grass-court game is improving following nearly four hours a day of practice at Wimbledon.

"I'm coming in more and more to volley," she said. "It has not been natural for me in the past but I'm learning quickly. And my service is much improved."

Graf has been drawn against Argentinian Adriana Panatta in the first round and is likely to play her close friend Gabriela Sabatini, another Argentinian, in the quarter-finals and Czech Hana Mandlikova in the semi-final.

Both Navratilova and Chris Evert are in the top half of the draw which should help the second seed as she makes her first serious bid for the title.

Graf, unbeaten in 35 matches this year, reached the last 16 of Wimbledon in both 1984 and 1985 but did not play last year because she was ill.

## RUGBY

## Religion and rugby can mix

AUCKLAND (AFP). — The New Zealand All Blacks have made only one change to the side which thrashed Wales last Sunday for Saturday's Rugby World Cup final against France at Eden Park here.

Michael Jones, the Auckland flanker whose religious convictions preclude him from playing on Sundays, is recalled to the side in place of Mark Brooke-Cowden, his deputy in the 49-6 semi-final destruction of Wales.

Unless 22-year-old hooker Steve Fitzpatrick is injured during Saturday's game, the World Cup will have passed All Black captain Andy Dalton by.

Dalton, an outstanding leader and the most capped hooker in All Black history, was sidelined for the first three games and has been unable to depose Fitzpatrick since.

Auckland's David Kirk continues as on-field captain in the line-up which shows five changes from the side which last played France in Nantes on November 15 last year.

The All Blacks last 16-3 to share a two-test series after winning 19-7 in Toulouse a week earlier.

## BASEBALL

## AMERICAN LEAGUE EAST

	W	L	Pct.	GB
Toronto	40	21	.659	—
New York	39	22	.643	1
Detroit	38	23	.621	2
Milwaukee	32	29	.524	6½
Boston	28	35	.444	12½
Baltimore	27	36	.438	13
Cleveland	23	39	.371	17

## WEST DIVISION

	W	L	Pct.	GB
Minnesota	37	27	.578	—
Oakland	34	28	.548	1
Kansas City	30	32	.484	4½
Seattle	32	32	.500	5
California	29	35	.453	8
Chicago	27	33	.450	8
Chicago	23	38	.377	12½

Tuesday's Games: New York 6, Baltimore 5; Cleveland 8, Boston 7; Toronto 18, Detroit 6; Minnesota 7, Milwaukee 3; Oakland 11, Kansas City 1; Texas 5, California 4; Seattle 8, Chicago 6.

## NATIONAL LEAGUE EAST

	W	L	Pct.	GB
St. Louis	39	21	.659	—
Chicago	34	28	.548	6
Atlanta	31	30	.516	7½
New York	32	32	.500	8
Philadelphia	29	31	.483	9½
Pittsburgh	27	34	.443	12

## WEST DIVISION

	W	L	Pct.	GB
Cincinnati	35	29	.547	—
Houston	34	29	.540	½
San Francisco	33	30	.524	1½
Atlanta	31	32	.492	3½
Los Angeles	29	34	.460	5½
San Diego	19	46	.292	16½

Tuesday's Games: Chicago 7, Philadelphia 2; New York 7, Montreal 3; Atlanta 7, San Francisco 2; Houston 4, Cincinnati 1; St. Louis 11, Pittsburgh 1; San Diego 5, Los Angeles 2.

## EUROPEAN SOCCER

OSLO (AFP). — France's floundering football team continued to struggle when they crashed to a 2-0 defeat at the hands of lowly Norway in their Group Three European championship match here on Tuesday.

The struggling French, who have only managed to score two goals since their impressive showing in last year's World Cup in Mexico, were stunned 16 minutes into the second half when Norway's Edmond Mortd beat France's offside trap.

With only goalkeeper Joel Bats to beat Mortd made no mistake. The goal brought the crowd, who had braved the pouring rain, to life.

It was France's first game without former captain Michel Platini, but even he would have made little difference to a French side that was short of ideas. France's slim hopes of qualifying for the championships have now all but vanished. They are five points behind Group Three leaders Soviet Union and two points behind second-placed East Germany.

## Everton to visit Madrid

LIVERPOOL (AFP). — English League champions Everton have accepted an invitation to play Spanish title winners Real Madrid in the Bernabeu Stadium on August 26 in a friendly.

Everton secretary Jim Greenwood explained: "It's a boost for us and helps ease the disappointment of the continuing European ban."

## Open hopefuls aim at straight and narrow

SAN FRANCISCO (AFP). — San Francisco is anything but a puritanical city, yet any golfer who strays from the straight and narrow here over the next four days is unlikely to emerge the 87th U.S. Open champion.

The Lake Course of the Olympic Club, where this year's Open is being played, has a reputation for breaking hearts, if not reputations. Olympic has twice hosted the Open — in 1955 and 1966 — and on each occasion the favourite lost out in a playoff.

In 1955 the legendary Ben Hogan was in the clubhouse with a four-

stroke lead planning his acceptance speech when a then unknown club professional from Iowa, Jack Fleck, birdied the 18th hole to force a tie, going on to win the 18-hole playoff.

The 6,709-yard, par 70 Lake Course which is waiting for this year's 156 qualifiers is a short course by tournament standards.

But Hogan, with justification, dubbed it the "longest short course in the world."

The successful players here will be those who can keep the ball in play — even if they have to leave the driver in the bag. Accuracy will be everything at Olympic.

## Klarsfeld: Find Barbie guilty

LYON. — Lawyer Serge Klarsfeld, who sought for more than 10 years to bring Klaus Barbie to justice, yesterday called on the jury at the former Gestapo officer's trial to find him guilty of crimes against humanity.

Klarsfeld, the first of 39 private prosecution lawyers who are due to testify against Barbie during the final stage of the trial, urged the jury to condemn him for his role in the World War II arrest and deportation to Nazi death camps of 44 Jewish children.

Barbie faces life imprisonment if convicted of complicity in the arrest of the children, aged between four and 17.

Klarsfeld told the jury the only two surviving mothers of the children had waited since the day of the raid "for Barbie to be brought from the end of the world in the Andes where he thought he was safe... to be condemned to a sentence worthy of the gravity of his crimes."

Klarsfeld, who with his Nazi-hunter wife Beate, spent nearly 11 years tracking Barbie to Bolivia and having him brought to justice, said:

"The assassin of Ixien must be stopped from ending his days in peace and passing his time recounting his exploits as a Nazi officer."

"He was a fanatical Nazi," Klarsfeld said. "He was educated to differentiate between good and evil, but decided of his own free will to exercise horror and evil."

Klarsfeld read out the names of each child, most of whom, he said, were the offspring of refugee European Jews whose parents had been rounded up by France's Vichy collaboration government and sent to Nazi gas chambers.

## Hoss demands purge of army

BEIRUT (AP). — Acting Prime Minister Salim Hoss yesterday demanded a speedy purge of Lebanon's Christian-officer army after judicial sources said the bomb that killed premier Rashid Karamneh was planted aboard his helicopter at an airbase.

Hoss's call was aimed at defusing a political crisis triggered by the June 1 assassination of Karamneh as he flew in a military helicopter from north Lebanon to Beirut.

Judicial sources disclosed that a three-man investigation team concluded the remote-controlled bomb was hidden in the back of his seat at the Adma airbase in Lebanon's Christian heartland before it left to

pick up Karamneh in Tripoli.

"There will be no role for the army in any plan to salvage Lebanon at present or in the future before it regains its credibility after this crime," said Hoss, a Sunni Moslem like Karamneh.

Moslem leaders have blamed the assassination of pro-Israeli extremists in the Lebanese forces, the Christians' main militia which opposed Karamneh's pro-Syrian leanings, in collaboration with Christian army officers.

The Lebanese Forces claimed the killers are pro-Palestinian Moslem fundamentalists angered by Karamneh's support of a Syrian army crackdown on their stronghold in

north Lebanon in 1985.

The army command denied any involvement in Karamneh's slaying.

Meanwhile, Walid Jumblatt, leader of Lebanon's Druse militia, survived a weekend attempt to kill him at his mountain home with a bomb hidden in a pen, the semi-official *Al-Ihtidat* daily reported yesterday.

The paper quoted "well-informed sources" as saying that the attempt was carried out Saturday by a follower of Jamal Kararah.

Jumblatt recently handed Kararah over to the Syrians for involvement in a series of Beirut bombings. Kararah is former security chief for Jumblatt's Progressive Socialist Party.

## Far-fetched story from Sierra Leone

## The Israeli and the millionaire

By NIGEL HAWKES  
Jamil Said Mohammed, once the most powerful businessman in the Commonwealth country of Sierra Leone, with assets estimated to be worth £60 million, is now living quietly off Willesden Lane, North London, with a price on his head and a warrant out for his arrest on charges connected with an alleged coup plot.

But he is much better off than Shabtai Kalmanovitch, an Israeli who replaced him as the Sierra Leone government's most favoured businessman. Kalmanovitch is also in London, but in less comfortable circumstances. From his cell in Pentonville, he is preparing his defence against extradition to the U.S. on charges of counterfeiting cheques

drawn on the North Carolina National Bank.

Both men have central roles in a series of events so far-fetched as to make the novels of Tom Sharpe appear boringly prosaic.

Back in Sierra Leone, a West African country of four million people, with large resources in diamonds and gold, 18 men — including a former vice-president — are in prison facing charges of organizing an attempted coup against the government of President Joseph Momoh.

The leader of this alleged plot, a police superintendent named Gabriel Mohammed Tennyson Kai Kai, has implicated Jamil in a rambling and contradictory account of how he asserts the coup was planned.

Jamil, who once boasted a security

guard of 30 well-armed soldiers, doubts that the "coup" was ever intended to take place at all.

An Afro-Lebanese of gentle manners, he cheerfully admits that his home in Freetown, Sierra Leone's capital, was better equipped than the average armory, and included two anti-aircraft guns and four Soviet rocket launchers.

Warrants for his arrest on charges of illegal possession of the arms were issued last week. The Sierra Leone government also offered a reward of £7,500 for information about his whereabouts, although it is no secret where he lives.

So why has President Momoh's government chosen to move against him now? He believes it is connected with the arrests in London, on cheque charges, of Kalmanovitch and his assistant William Davidson.

Jamil built his business empire in Sierra Leone under the presidency of Dr. Siaka Stevens.

After President Momoh came to power in 1985, relations between him and Jamil worsened.

As Jamil, withdrew, Kalmanovitch and Davidson appeared.

Two days before the warrants against Jamil were issued, the BBC World Service's "Network Africa" programme broadcast a well-informed account of Kalmanovitch's arrest in London. The programme interviewed an FBI man from Charlottesville who alleged that Kalmanovitch and Davidson had already passed \$1.4 million (£844,000) of dud cheques and that they were collecting another \$1.6 million when arrested.

The broadcast was heard in Sierra Leone, where the BBC has great authority. Jamil suggests that, in an attempt to cover its embarrassment, the Momoh government issued the warrants against him as a diversionary tactic.

(London Observer Service)

## The World Sephardi Federation and the Zionist Movement

Against the background of the Zionist Executive meeting, and the meeting of the World Zionist Congress, scheduled to take place in Jerusalem in December — when the crisis stricken World Zionist Movement must make far reaching decisions — the Presidium of the World Sephardi Federation has re-examined the Federation's status in the Zionist Movement.

The Presidium notes that the hopes and aspirations with which the Sephardi Federation joined the Zionist Movement have so far not been fulfilled.

The World Sephardi Federation intends to discuss with the political parties and bodies in the Zionist Movement its demands for an improvement in the Federation's status, particularly in regard to the following:

1. The expansion of the Federation's participation, so as to achieve full equality.
2. The enlargement of the Federation's representation in all the Movement's bodies and institutions, to make this commensurate with the size of the Federation, and appropriate to the scope of its activities in the diaspora and in Israel.
3. The provision of the financial means necessary for the Federation's tasks.

The Presidium of the World Sephardi Federation will report the results of the above discussions to the World Sephardi Congress, at its meeting in Jerusalem in November.

If these demands are not met, the necessary conclusions will be drawn.

World Sephardi Federation

## UNITED ISRAELI APPEAL

## Pre-Assembly Seminar

coordinated by

MELITZ

Centres for Jewish Zionist Education

## ONEG SHABBAT

with

AMOS OZ

"Judaism in the Jewish State —  
The Challenge of Religious Pluralism"  
Perspectives of an Israeli Writer

Ramada Renaissance Hotel, Amnon-Tamar Hall, Jerusalem  
Erev Shabbat, June 19, 1987, 8:45 p.m.

The public is cordially invited

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## Disgraced ex-general on the warpath

## Gorodish's 'explosive' Yom Kippur memoirs

By MICHAEL GOLDSMITH  
BANGUI, Central African Republic. — A retired Israeli general and disgraced war hero is completing a book of "explosive" memoirs on the 1973 Yom Kippur War which he says will vindicate the commanders who were subsequently accused of negligence and lack of preparedness.

Aluf Shmuel Gonen Gorodish, 57, has lived in the Central African Republic for the past decade, creating a mechanized diamond mining industry in this impoverished former French colony.

He told the Associated Press in an interview here that he would return to Israel soon to publish his book and resume his one-man campaign to clear his name and that of the other generals accused of inadequately preparing for the Egyptian surprise attack.

He said the government of Golda Meir, its defense minister, the late Moshe Dayan, and particularly the Shin Bet bore the main responsibility for failures prior to the war and for the subsequent official effort to whitewash the civilians involved.

The stocky, Lithuanian-born career tank commander spearheaded an offensive against the Egyptians in the Sinai Peninsula which is regarded as a turning point of the Six Day War. In the 1973 war, he said, his units destroyed nine Egyptian armored brigades, paving the way for the Israeli counterattack across the Suez Canal.

He said he would demand a new investigation of the 1973 campaign, using the income he hopes to make from his book for a private inquiry if necessary.

"I would like to help finance a commission of five academics with unimpeachable credentials who will be able to stand up against the political authorities and the protective blanket of 'state security' which is being used to conceal the truth," he said.

The main thrust of his campaign, he said, would be to force the government to lift the veil of secrecy from the Agranat Report, completed in 1975 by a commission of judges and senior officers, on how



Shmuel (Gorodish) Gonen as O/C Southern Command, photographed after hearing the findings of the Agranat Commission on the Yom Kippur War.

Israel almost lost the war.

The report, endorsed by the government but never fully published, unjustly accused the generals of mistakes made largely by the Meir government, Gorodish said.

The Agranat commission recommended that Gorodish, who commanded Israel's southern front during the war, Rav Aluf David Elazar, the Chief of General Staff, and other top brass be reprimanded and removed from their posts. Elazar died of a heart attack soon afterwards.

"In the weeks prior to the Egyptian attack, we were repeatedly criticized for mobilizing reservists for military exercises and accused of wasting money," he said. "The reservists are the core of the Israeli

Army, and the commanders knew they had to be prepared."

Yet only hours before the Egyptian onslaught, the government — including Dayan — refused to accept the generals' call for urgent military preparations, Gorodish said. And an exercise planned only a few days earlier to practise a combat crossing of the Suez Canal was ordered cancelled by the government despite the military commanders' protests.

"The Agranat report is an injustice that does not have the courage to show its face," he said. "The other generals decided not to fight it. But I see it as an important matter of principle. I do not want my country to become a dictatorship." (Associated Press.)

## With eight Alignment MKs abroad next week

## Labour fears Likud ambush on Shas bill

By ASHER WALLFISH  
Post Knesset Correspondent  
A reappearing cloud will loom over next week's parliamentary horizon to threaten the stability of the national unity coalition.

The Alignment fears that with some eight of its faction members abroad, the Likud will try to stage the preliminary reading of the Shas private member's bill on conversions.

The Likud has promised Shas leader Yitzhak Peretz that it will get the draft of the Change of Religion Ordinance through the preliminary reading before the summer recess at the beginning of August.

Under this proposal, all who convert to Judaism abroad would have to get Chief Rabbi endorsement

before registering as Jews in Israel. Peretz told Prime Minister Shamir last month that he would take his faction out of the national unity coalition if the Likud did not get the measure through the first stage within two months.

The Alignment started preparing contingency plans yesterday, to summon the peripatetic MKs back from abroad within 48 hours if the Shas proposal is put on next week's agenda.

Two senior Likud MKs assured *The Jerusalem Post* yesterday that the Likud did not envisage catching the Alignment with its pants down.

Likud faction chairman Haim Kaufman said: "We are not planning a parliamentary ambush to shove the

measure through while the Alignment is below strength because of some coincidence. We will move when we have a respectable majority, and the precondition for this is that all the religious factions get their act together."

Coalition chairman Sara Doron, who personally refuses to vote for changes in the laws concerning conversion on grounds of conscience, said that the Likud is preparing the ground very actively for legislation in order to keep Shas in the fold.

Doron said her faction asked her only this week if she would abstain on the Shas measure and not vote against it, and she refused.

She said: "A Likud minister told me yesterday that they are now working on a new idea, whereby the

Chief Rabbinate would guarantee registration directly on conversion requirements."

Speaker Shimon Peres can ensure that at least 48 hours' notice is given before the ministerial legislation by Shas is put on the week's agenda.

The Alignment can invoke the coalition agreement with the Likud, making all religious legislation contingent on mutual agreement between the two big parties.

If the Likud goes ahead, it will be in violation of the coalition agreement. But then it will be up to the Alignment to decide whether the Likud with consequences and be ready to walk out of the coalition if the Likud does not back down. However, the Likud may expect the Alignment to back down.

## A Cicciolina in the Knesset?

Roni Milo, the Likud's deputy minister who has responsibility for that traditionally Orthodox preserve, the Interior Ministry, caused a laugh in the Knesset yesterday when, during a desultory session that seldom drew a plenum attendance of more than half a dozen, he suggested that the only cure for Israel would be for Israel to emulate the Italian example and select its own Cicciolina.

## Pledge for voters

All the government lacks is the guts to change the law and make it compulsory for all Israelis, Jews and Arabs alike, to declare their allegiance to the State before being registered as voters, the Likud's Meir Cohen-Avidon said yesterday.

The fiery MK was at his fiercest in trying to push through the preliminary reading of a private member's bill to this effect.

He told Milo that the government was refusing to read the writing on the wall. The problem was not just East Jerusalem's Hanna Siniora and his mooted running for the Jerusalem City Council, it was also Galilee Arabs. But while Milo felt that there was indeed a problem, it could not be solved through any change in the electoral rolls, he said.

Natorei Karta, Milo pointed out, also did not recognize the State or respect its symbols, yet that com-

munity, too, received public grants. Were they too to be struck off the voter lists?

That comparison of Jews and Arabs angered Tehiya's Guela Cohen, but to no avail, for the House voted down the bill.



By DVORAH GETZLER  
Post Knesset Reporter

## Arabs to remain exempt

Israel's Arabs will not be compelled to do national service, nor will they be forbidden entry to the universities until they are over 21, as Tehiya's Rafael Eitan wanted.

But the Knesset is to discuss a law that would give Israel Defence Force veterans a 25 per cent reduction in further education fees, as the Likud's Dov Shilansky wants (that law, put forward some months before the recent furor over a government proposed two-tier university fees system, would also put Arab students at a disadvantage).

That was the upshot of yesterday's discussion of two private members' bills by Eitan and Shilansky.

## Ikrit and Biram

The return of the Arabs of Ikrit and Biram to their ancestral villages will have no adverse effect on security, Minister-without-Portfolio Moshe Arens told the Knesset yesterday.

Arens favours returning the Maronite Christian villagers who were expelled during the War of Independence in which they were loyal to Israel. He rejected the remark of Tehiya's Gershon Shafat that anything the minister's predecessor Ezer Weizman had promised he, Arens, would go one better.

The matter was referred to the committee for further discussion.

## Swipe at Gur

Deputy Minister Milo took a swipe at the Alignment's Motta Gur yesterday, citing his reported remark in Melbourne that he was prepared to exchange East Jerusalem for the freedom of Soviet Jewry.

Gur, said Milo, had 20 years ago commanded the paratroopers who entered the Old City, and he had announced: "The Temple Mount is in our hands!" Israelis today, he said, were now called "conquerors" rather than "liberators of their ancient homeland."

The Temple Mount matter was referred to the committee.



By ASHER WALLFISH  
Post Knesset Correspondent

## No objection to inquiry

Agriculture Minister Arye Nehamkin said yesterday that even though he did not feel that a judicial commission inquiry was needed to probe the financial plight of the moshavim and of their regional purchasing organizations, he would raise no objections if some state body decided to institute such an inquiry.

(An inquiry of this kind can be launched by the cabinet or by the Knesset State Control Committee.)

However, the minister said, if the establishment of an inquiry of this kind meant that it would take longer to put the moshavim back on their feet, it would merely be "digging a mass grave for family settlement."

## Panel on recruits

Troubled parents who complained to Tehiya MK Rafael Eitan about the harassment their son was subjected to as a raw recruit in the IDF have been instrumental in the establishment of a two-man team in the Foreign Affairs and Defence Committee to monitor such abuses.

Abba Eban, chairman of the committee, announced yesterday that he had asked Eitan and Binyamin Ben Eliezer (Alignment-Yahad) to function as a watchdog team against harassment of recruits (*titurim*).

## Idea for licence plates

Likud MK Ariel Weinstein yesterday proposed that vehicle licence plates be based on the identity card number of the owner, and not on the region of the country and the year of manufacture or import, as they are now.

Weinstein told the Economic Committee's road accident prevention subcommittee that the licence plates showing the car year had become status symbols which caused conspicuous consumption.

## Call to inhibit cults

The Knesset should pass stricter laws to inhibit the mystic cults at work in Israel, Social Affairs Committee chairman Ora Namir said yesterday.

At a meeting to discuss the report on mystic cults which was prepared last year by an interdepartmental committee headed by Likud MK Miriam Glazer-Ta'asa, a senior police official urged all government departments with information on the cults' activities to file it with the police.

## Yad Vashem received UN war crimes files

By ERNIE MEYER  
Jerusalem Post Reporter  
Yad Vashem this week received 16 boxes of files on war crimes from the UN archives. The boxes, shown to reporters yesterday, contain about 500 photocopied files. Yad Vashem expects to receive another 1,500 files.

It will take months for archivists to properly examine the material, but at first glance it seemed to contain no startling revelations regarding Kurt Waldheim or the Demjanjuk or Barbie cases, according to Yad Vashem director Dr. Yitzhak Arad.

The material was collected by the United Nations War Crimes Commission, set up in London in October 1943. Its 17 members included such German-occupied nations as Poland, Czechoslovakia, Greece and Holland, but not Soviet Russia.

Its stated purpose was to define and document war crimes and to set standards for prosecution. The commission concluded its work in March 1948 and transferred all its files to UN headquarters, then at Lake Success in the U.S.

The commission had considered all its files secret, an attitude adopted by the UN as well. The UN secretary-general was empowered to

release information to the governments of member-states, but not to individual institutions.

The files at Yad Vashem will not be open to the public, although they may eventually be released to researchers. "Failure to comply meticulously with this restriction could jeopardize our receiving the remaining 1,500 files that we asked for," Arad said.

So far Israel is the only country to have applied for any of the files.

Demand for the release of the documents received strong impetus from the Waldheim affair last year. The current development is the result of a visit to UN Secretary-General Perez de Cuellar last year by Israel's ambassador to the UN, Binyamin Netanyahu, and by Arad. The primary aim of the release of the documents is historical research. Possible prosecution of individuals is a more remote possibility.

Yad Vashem's chief archivist Dr. Shmuel Krakowsky said that a cursory glance had already revealed that of the 205 names mentioned in connection with the Majdanek camp, "most were not in our files." There was also a description of a Riga massacre of Jews by German Einsatzgruppen which had not been



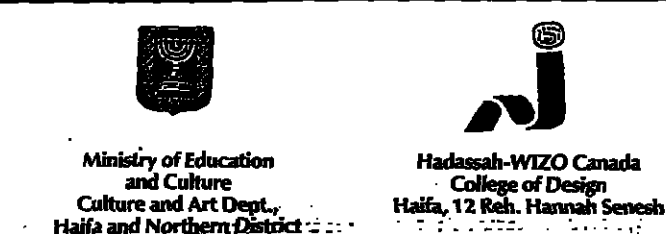
Yad Vashem director Dr. Yitzhak Arad with 16 boxes of war crimes files received from the UN.

documented before, and fresh information on Dr. Dering who, as a Polish prisoner in Auschwitz, performed operations on fellow prisoners.

The boxes are marked with simple stickers, reading: France, files 34, copies 693; or Holland, files 54,

copies 554. The box for Denmark contains only 2 files, with 12 copies. The first of the two boxes on Poland has 42 files, with 543 copies.

Krakowsky said that about 70 per cent of the material was in English, while the remainder was in the original German or French.



The Culture and Art Dept. of the Ministry of Education and Culture, in cooperation with the Hadassah-WIZO Canada College of Design, are conducting a

## Census of Artists

who were engaged in their countries of origin in gold and silver jewelry work, pottery, wood design, embroidery, weaving, musical instrument production, etc.

Those interested will be given the opportunity for supplementary professional training, while preserving the original character of their artistic work.

For census forms please apply to the Culture and Art Dept., Ministry of Education and Culture, Haifa, 20/Gimmel Reh. Anilewitz, Tel. 04-562473/5.

Additional information is available from Yehuda Evron, initiator of the project, at the above phone number on Tuesday and Friday mornings.

## TODAY'S ENTERTAINMENT

**EDUCATIONAL TV**  
8.00 Teletext 8.05 Keep Fit 8.15 School Broadcasts 14.00 Teletext 14.05 Keep Fit 14.15 Family Problems (repeat) 15.00 Tatu 15.25 Rehov Sumsum 16.00 Mago - A Jewish City 17.00 A New Evening - live magazine

**ISRAELI TV**  
**CHILDREN'S PROGRAMMES**  
17.30 Children's Problems 18.00 Science fiction series 18.25 A Look at Beit She'an  
**ARABIC-LANGUAGE PROGRAMMES**  
18.30 News roundup 18.32 Arts Magazine 19.00 Meeting - current affairs 19.30 News  
**HEBREW PROGRAMMES** resume at 20.00 with a news roundup  
20.02 Mebat Sport  
20.50 Beauty Spot - tips on hikes and trips  
21.00 Mebat Newsweek  
21.35 Fresh Fields, British series, starring Julie McKenzie and Anton Rodgers  
22.00 Journey to Jewish Communities - Poland (part 1)  
22.45 Dempsey and Malaspina, British suspense series starring Michael Brandon and Glynis Barber  
23.35 Language Corner, introduced by Avshalom Kor, and News

**ISRAELI TV CHANNEL 2**  
19.00 Children's Book Review 19.30 Tazpi - science and technology magazine 20.00 Hassidic Song Festival 21.00 Shorts

**JORDAN TV** (unofficial):  
17.30 Cartoons 18.00 French Hour 19.30 News in Hebrew 20.00 News in Arabic 20.30 Life & My Girl 21.10 To be announced 22.00 News in English 22.20 Feature film

**MIDDLE EAST TV**  
17.30 Another Life 14.00 700 Club 14.30 Shape-Up 15.00 Afternoon Movie: Day of the Cobra 17.00 Flying House 17.30 Fraggle Rock 18.00 The Jeffersons 18.30 Doc 19.00 News 20.00 Scarecrow and Mrs. King 21.00 Showcase Theatre: Blood Alley 22.00 700 Club 23.30 Another Life

**VOICE OF MUSIC**  
8.02 Morning Melodies 7.05 Elgar: Cockaigne Overture (London/Handley); Muller: Concerto for Oboe and Orchestra (Holliger); Chopin: Piano Concerto No. 1; Musorgsky-Ravel: "Pictures at an Exhibition" (Cleveland/Heast) 8.00 Daria: Sinfonia Concertante; Wieniawski: Violin Concerto No. 2; Ben-Haim: Serenade; Castelnuovo-Tedesco: Concertino; Turina: Canto a Sevilla; Britten: Sinfonia da Requiem 12.00 Recl: Suite No. 5 for Cello Solo (Har'el); Prokofiev: 3 Pieces for Harp; Hindemith: Sonata for Viola and Piano (Bonymerini); Lohka 12.05 Zelenka: Sinfonia in A minor; Tscheltzky: Violin Concerto (Stam); National Symphony/Prokofiev; Dvorak: Symphony No. 8 (Philharmonia/Davis) 15.00 Encounters 16.00 Yari Kles, violin, Victor Dorevianki, piano - Shostakovich: Sonata Op. 104; Enescu: Sonata No. 3; Martinu: Sonata No. 3 17.25 Warner: Dvorak: No. 1; Vaughan Williams: Concerto Grosso for Strings 18.05 Music Anthology 19.00 Light Classical Music 20.05 Musical Medley 20.30 Jerusalem Symphony Orchestra - Homage: "Judith"; Mendelssohn:

Symphony No. 3, "Scottish" (Röden); Poulenc: Concerto for 2 Piano and Orchestra; Schubert: Sonata for Piano Duet Op. 3 22.30 "From Jazz On" 23.00 "Golden Generation" - Forgotten Violinist

**RADIO 1st**  
6.05 Programmes for Olim 7.30 Programme in Easy Hebrew 8.05 Information for Immigrants 9.05 News 10.05 Morning Pearls 11.10 School Broadcasts 11.30 Followage 12.05 Mid-East Medley 13.00 News in English 13.30 News in French 14.00 Children's programmes 15.30 Education for all 16.05 An Unknown Land 17.20 Evening's University 18.00 Jewish Traditions 19.05 Lesson in Tanach 22.05 Bible Reading 23.30 Programmes for Olim 22.05 I Have a Dream

**RADIO 2nd**  
6.12 Gymnastics 6.30 Editorial Review 6.55 Green Light - drivers' corner 7.00 This Morning - news magazine 8.05 Literary Wavelength 13.00 Midday - news magazine 8.05 Literary Wavelength 14.00 Culture and Arts Magazine 14.30 Literary Wavelength 19.05 Today - radio newswire 19.25 This Week in the Knesset 20.05 Roots - followage magazine 22.00 Literary Wavelength

**ARMY**  
6.05 University on the Air 6.30 Open Your Eyes - songs, information 7.07 "707" 8.00 Good Morning Israel 9.05 In the Morning 10.05 Coffee Break 11.05 Right Now 13.05 Good Place in the Centre 15.00 The Magical Mystery Tour (repeat) 16.00 Four in the Afternoon 17.00 Evening Newswire 18.05 Economics Magazine 19.05 Hebrew songs 20.05 Army and Defence Magazine (repeat) 21.00 Mebat - TV newswire 21.30 University on the Air (repeat) 22.05 Popular songs 23.05 The 24th Hour 00.05 Night Birds - songs, chat

**ARMY TWO**  
18.05 Radio Radio 20.05 Information, regards and radio games 22.05 Israel Festival 1987 23.05 All That Jazz

**DALLOCACTIONS**  
AM in kibbutz FM in megabars

1st 2nd Army Two

Tel Aviv 91.3 576 657 1287 96.8

Jerusalem 91.3 576 1080 1404 96.8

Haifa 91.3 576 1206 1306 102.3

Bnei Brak 91.3 576 1224 103.8 96.6

## CINEMA PERFORMANCES

**JERUSALEM**  
Belt Agony: The Gods Must Be Crazy 5, 7, 9, 11, 13, 15, 17, 19, 21, 23, 25, 27, 29, 31, 33, 35, 37, 39, 41, 43, 45, 47, 49, 51, 53, 55, 57, 59, 61, 63, 65, 67, 69, 71, 73, 75, 77, 79, 81, 83, 85, 87, 89, 91, 93, 95, 97, 99, 101, 103, 105, 107, 109, 111, 113, 115, 117, 119, 121, 123, 125, 127, 129, 131, 133, 135, 137, 139, 141, 143, 145, 147, 149, 151, 153, 155, 157, 159, 161, 163, 165, 167, 169, 171, 173, 175, 177, 179, 181, 183, 185, 187, 189, 191, 193, 195, 197, 199, 201, 203, 205, 207, 209, 211, 213, 215, 217, 219, 221, 223, 225, 227, 229, 231, 233, 235, 237, 239, 241, 243, 245, 247, 249, 251, 253, 255, 257, 259, 261, 263, 265, 267, 269, 271, 273, 275, 277, 279, 281, 283, 285, 287, 289, 291, 293, 295, 297, 299, 301, 303, 305, 307, 309, 311, 313, 315, 317, 319, 321, 323, 325, 327, 329, 331, 333, 335, 337, 339, 341, 343, 345, 347, 349, 351, 353, 355, 357, 359, 361, 363, 365, 367, 369, 371, 373, 375, 377, 379, 381, 383, 385, 387, 389, 391, 393, 395, 397, 399, 401, 403, 405, 407, 409, 411, 413, 415, 417, 419, 421, 423, 425, 427, 429, 431, 433, 435, 437, 439, 441, 443, 445, 447, 449, 451, 453, 455, 457, 459, 461, 463, 465, 467, 469, 471, 473, 475, 477, 479, 481, 483, 485, 487, 489, 491, 493, 495, 497, 499, 501, 503, 505, 507, 509, 511, 513, 515, 517, 519, 521, 523, 525, 527, 529, 531, 533, 535, 537, 539, 541, 543, 545, 547, 549, 551, 553, 555, 557, 559, 561, 563, 565, 567, 569, 571, 573, 575, 577, 579, 581, 583, 585, 587, 589, 591, 593, 595, 597, 599, 601, 603, 605, 607, 609, 611, 613, 615, 617, 619, 621, 623, 625, 627, 629, 631, 633, 635, 637, 639, 641, 643, 645, 647, 649, 651, 653, 655, 657, 659, 661, 663, 665, 667, 669, 671, 673, 675, 677, 679, 681, 683, 685, 687, 689, 691, 693, 695, 697, 699, 701, 703, 705, 707, 709, 711, 713, 715, 717, 719, 721, 723, 725, 727, 729, 731, 733, 735, 737, 739, 741, 743, 745, 747, 749, 751, 753, 755, 757, 759, 761, 763, 765, 767, 769, 771, 773, 775, 777, 779, 781, 783, 785, 787, 789, 791, 793, 795, 797, 799, 801, 803, 805, 807, 809, 811, 813, 815, 817, 819, 821, 823, 825, 827, 829, 831, 833, 835, 837, 839, 841, 843, 845, 847, 849, 851, 853, 855, 857, 859, 861, 863, 865, 867, 869, 871, 873, 875, 877, 879, 881, 883, 885, 887, 889, 891, 893, 895, 897, 899, 901, 903, 905, 907, 909, 911, 913, 915, 917, 919, 921, 923, 925, 927, 929, 931, 933, 935, 937, 939, 941, 943, 945, 947, 949, 951, 953, 955, 957, 959, 961, 963, 965, 967, 969, 971, 973, 975, 977, 979, 981, 983, 985, 987, 989, 991, 993, 995, 997, 999, 1001, 1003, 1005, 1007, 1009, 1011, 1013, 1015, 1017, 1019, 1021, 1023, 1025, 1027, 1029, 1031, 1033, 1035, 1037, 1039, 1041, 1043, 1045, 1047, 1049, 1051, 1053, 1055, 1057, 1059, 1061, 1063, 1065, 1067, 1069, 1071, 1073, 1075, 1077, 1079, 1081, 1083, 1085, 1087, 1089, 1091, 1093, 1095, 1097, 1099, 1101, 1103, 1105, 1107, 1109, 1111, 1113, 1115, 1117, 1119, 1121, 1123, 1125, 1127, 1129, 1131, 1133, 1135, 1137, 1139, 1141, 1143, 1145, 1147, 1149, 1151, 1153, 1155, 1157, 1159, 1161, 1163, 1165, 1167, 1169, 1171, 1173, 1





'We don't take chances' - publisher Ohad Zmora.

## Who reads books?

THERE AND THEN / Sraya Shapiro

THE DAILY newspaper and the book: the ephemeral and the enduring. Having their books published has always been the dream of all writers, young and old, who ever tried to string words into meaningful sentences.

But who reads books? "More people than you would suppose," says Ohad Zmora, owner of one of Israel's largest publishing houses. Gone are the days when a Hebrew book was the treasure of a select few beneficiaries of Hebrew literature, and publishing was an act of munificence - a free gift to the nation's culture. The Szybels, the Zlatopolskis, of course, kept Hebrew creativity afloat. "But there is hardly any need for similar support today. A dozen books in Hebrew appear in Israel each day. Last February, a bookseller told me recently, he had 214 new titles to offer the general reader. No wonder booksellers don't keep many volumes in stock, they simply have no room on their shelves. If a book does not arouse the interest of the reading public within a week from publication it is returned to the publisher."

Popular writers sell well. Gift books suitable as bar-mitzva presents sell well. Cooking books sell very well. There is a good market for books on Eretz Yisrael. An average printing order is for 1,600 to 1,900 books. "A decade or two ago, one usually printed 3,000 copies of a new book on the assumption that it will sell within a few years. We don't take such chances today." The fact is that there is a large body of readers who pay for reading a Hebrew book, however expensive it may seem. "This is a real revolution."

Ohad Zmora was born into publishing, so to speak. "As a boy I used to help my father handle the books he printed." *Mahbarot le Sifrut* operated from Yisrael Zmora's small flat somewhere near the Dizengoff circle in Tel Aviv as he couldn't afford to rent a store. *Mahbarot* was a periodical - issued very irregularly - which spearheaded the *Sifrut* and *Drang* generations of writers in the 1930s, of whom Nathan Alterman was one of the most famous. The publishing business grew out of the periodical, "just as Gallimard took its roots from *Nouvelle Revue Française*. My father was very impressed by the French

literary example. No, no, he never lived in France, he just learned French by himself, as he did with half a dozen other languages. His only formal education was the *heder* in his native Bessarabia," Ohad explains. At the age of 14, Yisrael Zmora left home, heading for Odessa, "where Bialik lived." He regarded himself as a sort of priest of Hebrew letters. Came the revolution with its ideological upheavals, and Zmora was drafted into the Red Army. Being one of the few literate conscripts, he was made clerk of his unit. "One of the first things he did was write himself a leave slip, take his young wife and cross the border, clandestinely, into Romania."

A few years later found him in Tel Aviv, with the Hebrew writing fraternity. He eked out a livelihood by writing reviews, giving lectures, and doing translations. He also kept a diary, faithfully jotting down minute details about the writers he met. "It was a momentous period: Palestine was in the throes of a bloody contest, World War II raged, and reports began to filter in on the Holocaust; but there was practically no mention of any of this in my father's notes. His was a world of literature; as was apparently the world of most of his contemporaries. Events took shape for them only after they were put into Hebrew words, printed in black on white." Ohad, incidentally, hesitates to publish these diaries, "they are too outspoken, people might take umbrage."

Whatever his merits in Hebrew literature, Yisrael Zmora was no businessman. "I tried to persuade my father to supplement the purely literary side of his efforts by printing books of popular appeal. He wouldn't hear of it!" Eventually, of course, the financial affairs of *Mahbarot le Sifrut* became so entangled that the publisher's two sons had to step in. "It took me three years to unravel the tangle."

Ohad wasn't overly enthusiastic about returning to publishing - he had a fine career in journalism, on the editorial staff of *Davar*. But publishing must be as powerful a bug as writing. He appears to be doing splendid business, following the advice he had once given his father. Publishing, it seems, is a vocation, a business, a gamble. It's pursued with dedication, with perseverance. And with luck.

## Storm and stress

MUSIC REVIEWS

THE ISRAEL SINFONETTA BEERSHEBA. Mendi Rodan conducting, with Jerome Lowenthal, pianist (U.S.) and Edda Moser, soprano (Germany). (Tel Aviv Museum, June 13). Beethoven: Piano Concerto Op. 73 ("Emperor"); "Aria 'Ah perfido!'" Op. 65; Arie "Abendlicher Stille" Op. 113 from *Fidelio*; Symphony No. 7.

IT WAS called the Beethoven Experience 1987 in the Sinfonietta publicity - a collection of the composer's works including the fifth piano, the violin and the triple concertos, two arias, two overtures, and the Seventh Symphony, which the Beersheba-based orchestra has been performing throughout the country recently.

Whatever the reasons behind the selection for the Tel Aviv performance, the experience proved rather one-sided. The great works, and especially the Sinfonietta reading of them, stressed the storm-and-stress strain in Beethoven's music at the expense of some other precious qualities.

That the Sinfonietta under Mendi Rodan is a solidly professional ensemble goes almost without saying - the few rough edges on Saturday night did little to dispel this view. Indeed, the instrumental sections - the woodwinds in particular - played with a virtuoso flair, smoothly integrated into an orchestral whole. Yet only in the third and part of the fourth movements of the symphony, could the bouncy lightness and textural transparency be appreciated. Elsewhere, the playing lacked charm and the sonorities tended to become quite rough. The lively acoustics of the Recanati Auditorium certainly did not help.

In the two arias, Edda Moser brought an overwhelming dramatic presence to the stage. Even if her soprano is no longer as bright as it might have been, and the German enunciation of the *Fidelio* aria proved clearer than the Italian in "Ah, perfido!", the singer's handling of the demanding numbers revealed an artist and musician of the highest order.

The pianist Jerome Lowenthal has lost none of the electrifying energy

and instrumental brilliance he displayed when he was last heard here. These qualities came to the fore in the final movement of the "Emperor" concerto - a scene of all-encompassing, joyous abandon.

ELI KAREV

HEDVIG ELEONORA MOTET CHOIR (Stockholm) Conductor: Karl Göran Elmstorp (Jerusalem: St. George's Anglican Cathedral, June 14). Programme of liturgical music by Ahlén, Mendelssohn, Lindberg, Olsson, Bach, Nystedt, Sandström.

THE VENERABLE traditions of Scandinavian choral music were upheld in good style as conductor Elmstorp took his group through a capella selections from the baroque, classical and contemporary repertoire. Excepting some slight shrillness in the first soprano section, the choral blend was a pleasure to hear, as a subtle edge of white sound gently rounded off the edges and lent an admirable balance to the voice parts. Especially fine were the tenors, who came through with full-bodied richness utterly devoid of the stridency to which local concertgoers have long grown accustomed. As a whole, the group exhibited not only great sensitivity to the expressive potential inherent in all aspects of their music, but also an obvious joy in the very act of performance, an attitude which quickly infected the audience as well.

The programme was weighted heavily in favour of contemporary Swedish composition, of which the group may justifiably be proud. Ahlén's *Summer Hymn* made the perfect opening professional, and the three pieces by Lindberg, particularly *Whitsuntide*, were delightful in their blending of fine craftsmanship and youthful freshness. But the highlight for this reviewer was two motets by Nystedt, a superb composer with a unique and exciting approach to the choral medium.

The Motet Choir is an excellent representative of Sweden's choral heritage, one very different from our own; their return to our shores is to be encouraged.

DANIEL ZIFF

## Advertisers' watchdog

THE ADVERTISING Standards Authority (ASA) rarely makes headlines itself, but it did earlier this year when it censured a billboard for the *Today* newspaper.

More than 200 members of the public had complained to ASA - the independent watchdog for all advertisements in newspapers, magazines, brochures and posters - about the offensive nature of the billboard: it showed political party leaders Thatcher, Kinnock and Owen with nooses around their necks, above the headline: "Would Britain be better off with a Hung Parliament?"

ASA chairman Lord McGregor, a sharp, genial man with a more than passing resemblance to gritty British film actor Jack Hawkins, admits that ASA is "not usually renowned for its speed. But in this case we were quick off the mark. After all, the *Today* advertising effort was one of the most complained-about campaigns in the history of the authority."

It usually takes ASA some three months to filter a complaint through its secretariat and council, but in this case it took just a fortnight.

Today, grumbling that ASA did not know what it was talking about, nevertheless agreed to remove the offending posters as swiftly as possible.

The controversial nature of the *Today* advert, just weeks before the general election, guaranteed the ASA action considerable coverage in the news media. Usually, it works more quietly, behind the scenes, acting on the basis of just one or two complaints.

ASA was formed in 1974 because then consumer affairs minister Shir-



DAVID HOROVITZ

ley Williams felt that the degree of regulation in advertising was insufficient.

Either the advertisers could set up their own regulatory body, she said, or the government would set one up for them.

Wise, they chose the former course, agreeing to pay a tiny annual levy to ASA and to establish a 12-member council. Three of the members are industry experts, while the other nine are independents not connected with the advertising industry.

"When I took over the chairmanship in 1980," says Lord McGregor, "there was still a great deal of scepticism about the independence of a regulatory body run by the industry itself. But this has largely disappeared now, because we have been seen to have acted truly independently, and because we are clearly far more effective than the consumer protection laws, under which cases take over a year to come to court."

THE ASA CODE requires an

advertisement to be "legal, decent, honest and truthful," four qualities that are not always so easy to establish, says McGregor.

"Legal" is straightforward, in that it requires that advertisements contain nothing in breach of law, omit nothing the law requires, and do not bring the law into disrepute. "We offer legal advice to advertisers who have doubts on this score," says McGregor.

"Decency" is more tricky, he says, because it is so subjective. Advertisers, according to the ASA code, are urged to avoid unnecessary offence, and to "respect the standards of decency and propriety that are generally accepted in the United Kingdom."

The "honesty" clause is designed to prevent adverts that exploit the consumer's lack of knowledge or experience, says McGregor, and requires advertisers to present their case in an easily comprehensible manner.

As for "truthful," this clause states that "no advertisement, whether by inaccuracy, ambiguity, exaggeration, omission or otherwise, should mislead consumers." It is from these last two clauses that the majority of complaints to ASA stem.

THE PRODUCT group most complained about is holidays, with consumers bemoaning such trifles as their hotels being unfinished, or further from the beach than advertised, or featuring unadvised unsavoury creatures in the bedrooms or inedible meals.

Number two on the list of product groups is cars, where advertisers



have been known to exaggerate the capabilities of the vehicles.

"We assume that advertisers are guilty until proven innocent," McGregor points out, "and if an advertiser cannot substantiate a claim he makes in an advertisement, then we ask him to withdraw it."

And so it was with a Volvo advert earlier this year which claimed that the Volvo 740 Turbo Estate was "the only souped-up car that can carry 3,988 cans of soup" and featured an accompanying photo of the car loaded exactly thus.

Unfortunately for Volvo, keen-eyed consumers from Bishops Cleeve and Cambridge were not convinced, and wrote to ASA to say that the weight of the cans would far exceed the maximum payload of the car, and that it would be impossible to drive with such a load.

The advertisers' protests that it was only a humorous play on the words "souped-up," and that the car could indeed hold that many soup cans, were in vain. The car could not be driven with such a load. The advert had to go.

Further down on the list of complaints come such items as slimming aids and hair restorers.

McGregor is rather proud of ASA's work concerning these two products, and asserts that "one need only cross to France to find an abundance of so-called slimming

aids that cannot be advertised as such here."

WITHOUT the authority of the courts to back it, ASA must rely on cooperation from the newspapers to clamp down on advertisements that breach its code.

"Obviously, our first step is to ask advertisers to change or withdraw their advertisement. If they refuse, then they get lots of adverse publicity in our monthly report, and we ask the print media not to run the offending adverts."

"This costs them money, but they are generally extremely cooperative. Like the rest of the industry, they recognize the importance of maintaining integrity in the advertisements they carry," McGregor says.

Complaints to ASA increase every year, with 9,000 complaints in 1986, of which 3,000 were seriously pursued.

"That is not to say that more advertisers are breaching the code, but rather that consumers are becoming increasingly aware of our work, and the public is more disposed to complain in general."

"In fact," McGregor concludes, "the conduct of advertisers is improving. They are learning that confidence in advertisements is a great promoter of trade. Advertisers do themselves well by being good to the consumer."

OPEN SATURDAY NIGHT

Hypercol Canion Ayalon open 24 hours all week Sunday through Thursday

Hypercol, Kiryat Ata Junction, Sunday through Thursday, open till midnight

Hypercol Petach Tikva Wednesdays and Thursdays open till 24.00

Holon 36 Professor Shor St. Wednesdays and Thursdays, open till 20.00

Rishon LeZion 84 Lishansky Biv. Industrial Zone Sundays, Mondays, Tuesdays, open till 20.00

Petach Tikva Opposite Beilinson Sundays, Mondays, Tuesdays, open till 21.00

Haifa Check-post open till 20.00

Jerusalem Talpott Industrial Zone Sundays, Mondays, Tuesdays, open till 20.00

Jerusalem Givat Shaul Bet Sundays through Thursdays open till 20.00

Be'er Sheva He'oranim St. corner Ben Gurion Sundays, Mondays, Tuesdays, open till 22.00

All Hypercol stores are open on Fridays until 14.00

## FESTIVAL OF DIET AND NATURAL HEALTH FOODS AT HYPERCOL

- Natural fruit juices
- Natural fruit concentrates
- Natural fruit spreads
- Natural fruit powders
- Natural fruit syrups
- Natural fruit essences
- Natural fruit extracts
- Natural fruit oils
- Natural fruit vinegars
- Natural fruit salts
- Natural fruit acids
- Natural fruit bases
- Natural fruit flavors
- Natural fruit colors
- Natural fruit preservatives
- Natural fruit stabilizers
- Natural fruit emulsifiers
- Natural fruit thickeners
- Natural fruit gelling agents
- Natural fruit foaming agents
- Natural fruit chelating agents
- Natural fruit antioxidants
- Natural fruit preservatives
- Natural fruit stabilizers
- Natural fruit emulsifiers
- Natural fruit thickeners
- Natural fruit gelling agents
- Natural fruit foaming agents
- Natural fruit chelating agents
- Natural fruit antioxidants

### FOR THOSE INTERESTED IN DIETING!

Dietician Dr. Nira Shapiro will be lecturing on "Nutrition - Not a general concept but a personal Life-Style", accompanied by video film and demonstration of an innovative device for checking body composition.

Lecture timetable:  
June 21 - Jersey Hypercol, Jerusalem; 17.00  
June 21 - Talpott Hypercol, Jerusalem; 19.00  
June 23 - Rishon LeZion Hypercol; 18.00  
June 23 - Holon Hypercol; 20.00  
June 24 - Checkpost Hypercol, Haifa; 18.00.

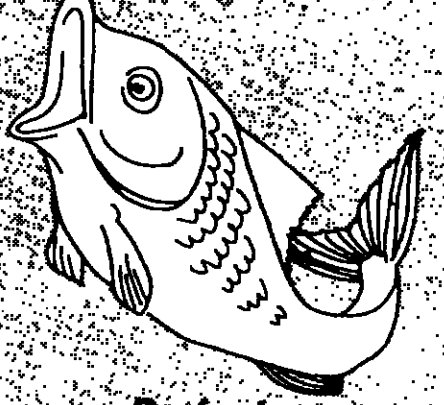
### SPECIAL DIET COMPUTERS!

Commencing June 21st, personal computers installed specially by courtesy of the "Anashim U'mechashvim" training company at the Canion, Petach Tikva, Kiryat Ata junction and Be'er Sheva branches of Hypercol, will provide you with tailor-made diet based on your height age and weight. The computer will also provide you with diet recipes.



### FISH DEPARTMENT

Fabulous fish - tasty, nutritious and non-fattening



Dagrost

Red perch (Rohdarsch) 1 kg 5.20

Barbus 1 kg 8.90

Mackerel 1 kg 1.80

Bronza 1 kg 5.-

Red perch (Rohdarsch) 1 kg 8.90

"Norde" royal fish delicacy

Zabrus: filled by various international sauces: wine, cream, soybean, and cheese, mushroom and cheese, 100 g 3.35

Hake fillet sticks (Hakefilet) 300 g 2.75

Cod Bakala fillet (Hakefilet) 400 g (package) 3.70

Salmon (Lachs) 1 kg 27.-

### טבעולי

מקטע בריאות מן החומות

Vegetarian meatballs, 600 g 6.15

Vegetarian hamburger, 600 g 5.95

Vegetarian mince meat, 500 g 3.85

### FRUIT AND VEGETABLE DEPARTMENT

Round tomatoes, 1 kg only 0.79

Watermelon, 1 kg only 0.74

### HOUSEWARE DEPARTMENT!

Steak pan, "Panto-Nail" 27.50 19.50

Sodastream, model 201 55.-

Sleeping bag "Shimshoni", Rabintex 50.-



לקנות ול'הנות מכל היתרונות

Prices valid until June 30, 1987.



By PINHAS LANDAU  
Post Finance Reporter

A series of recent deals at home and abroad have made clear that Bank Leumi is undertaking new and aggressive policies with its overseas banking subsidiaries and its local non-banking holdings.

The recent Leumi (Britain) deal, due to be approved by the shareholders at an extraordinary general meeting next week, is in fact the second such to be made this year. It involves the sale of 510,000 new ordinary shares in the London-based bank, which is quoted on the London Stock Exchange, at 400 pence per share, to Dicoip Holdings Ltd., which is itself a subsidiary of the giant De Beers Consolidated Mines Ltd. Dicoip has nominated Timothy W.H. Capon to Leumi Britain's board to represent its 8.8 per cent stake in the bank.

In a very similar deal in March this year, Leumi (Britain) made another private placement, also of 510,000 shares, to CP Holdings Ltd., a British investment company. CP's chairman, Bernard Schreier, who built up the £100 million company from scratch, also joined Leumi Britain's board — but he paid only £1.8 million, compared with Dicoip's pounds £2m.

All the new capital is going to finance Leumi Britain's expansion, especially into the lucrative private banking and investment services that figured prominently in last year's over-50 per cent jump in profits to £1.6m. The Israeli parent is not allowed, under Bank of Israel rules, to invest more money in its foreign operations, leaving it increased local participation as the only path to growth.

The pattern of reducing ownership of overseas units was set in March 1986, when Leumi Switzerland sold a 10 per cent stake for 12 million Swiss francs to none other than Dicoip. That time, however, the man to join the board was A.G. Doe.

Leumi Switzerland, like Leumi Britain, is a strong link in the chain

## Leumi's current goals

## Partners abroad, liquidity at home



Leumi New York: No partners here.

(Mula &amp; Harsanyi)

and found it relatively easy to attract new equity partners. Leumi's biggest subsidiary, Bank Leumi Trust Co. of New York, is much less profitable and the process there will consequently be much harder.

CP Holdings dropped up again recently, when it bought control of the Sharon Hotel in Herzliya from

Leumi's sister-concern, Israel Land Development Corp. or Hachsharat Hayishuv. The deal for the Sharon, which has not been doing well in recent years, was worth \$2.8 million, partly in cash and partly in transferred debts. CP Holdings, it should be noted, is mainly engaged in civil and mechanical engineering, and has un-

its in other branches of activity, notably open-cast mining. But this represents its first venture into hotel-management or tourism of any sort.

The Sharon was part of the chain of hotels owned by Israel Resort Hotels, one of ILDC's main arms. Most of the others in the chain, such as the Galei Kinneret in Tiberias and the Rimmon Inn in Safad, have been money-spinners.

ILDC is owned and controlled by the World Zionist Organization, as is Leumi itself. However, Leumi has traditionally held the bulk of the company's shares, but this policy of maintaining holdings in non-financial companies is now being reversed under the bank's new management.

Thus in late May the bank sold a block of shares in ILDC, equivalent to some 15 per cent of the total equity, to the provident funds controlled by Leumi. The deal was worth some \$12 million and was made at a price 15 per cent below the then market price of ILDC shares. Even after the sale of this block, Leumi still holds almost half the shares of ILDC. The fact that it now has less than 50 per cent of the equity does not affect control, because this is exercised by founders' shares held by the WZO.

The most dramatic element of the disinvestment policy has been the winding-down of the Leumi Investment Co., especially in the ventures it made with the ill-fated Danot Investment Co. These investments, both in the high-technology start-ups and in existing companies, caused enormous losses to the bank in recent years. Over recent months they have been sold off where possible and closed down where there was no alternative.

Even in the first quarter of 1987, Leumi lost a total of NIS 10 million from its non-bank subsidiaries. However, bank sources claim that the liquidation process is almost over and the hemorrhaging will be stopped in the next few months. Thereafter, Leumi intends to stick to banking and financial services.

## THE TAX BURDEN/Jeff Broide

## Planning ahead

It should be noted that in considering tax-planning devices, the law entitles tax assessing officers to disallow artificial or fictitious measures, by which the law means transactions whose sole purpose is to reduce or avoid tax, or transactions that never actually occurred or whose main aim is to improve tax avoidance.

**ASSESSED LOSSES:** Under Israeli law, assessed losses incurred by a person from a business, trade or profession may be set off against taxable income from all other sources in the year the loss is incurred. In the event the loss, or part of it, is carried forward to subsequent years, then the loss can only be set off against taxable income (including capital gains) earned from a business, trade or profession.

An individual may not sell or transfer his "assessed losses," but losses in a company may be utilized for set-off against profits should new shareholders take over.

acquiring the company, other than the tax benefit from its assessed losses.

This factor was brought home forcibly in the Mafi Ltd. case, where the court held that the transaction was artificial, since it had no purpose other than that of tax-saving. Under Israeli law, a merger of two companies for the sake of utilizing the assessed loss of one of them is not possible and the loss would be "wasted," unless the companies merging fall within the ambit of the Law for the Encouragement of Industry. Where the law does permit utilization of an assessed loss, it is probably advisable to allow the company "with losses" to absorb the other profitable company.

**UTILIZING TAX BENEFITS:** The ordinary rates of depreciation stipulated in the tax by-laws are generally low. It is, therefore, wise to plan one's affairs so as to obtain the maximum benefit of tax shelters. This may, for example, necessitate splitting or separating operations in a business and setting up separate entities to obtain industrial-enterprise status, which carries with it certain tax benefits.

Goodwill may not be amortized for tax purposes. On the acquisition of a business, it may, therefore, be advisable for the purchaser to give close attention to the values of the various underlying assets of the business, unless the purchaser is buying the business for resale purposes. (The seller's considerations may be the reverse, as he may wish to avoid paying capital gains taxes.) In addition, goodwill is a fixed ("protected") asset in terms of the law governing inflationary taxation and thus has a "negative" influence on taxable income from the taxpayer's viewpoint.

Tax planning is generally more complicated than merely generating simple ideas. A case in point is where the industrial company is also entitled to tax benefits as

an "approved enterprise" under the Law for the Encouragement of Capital Investments. Here other considerations may exist, such as maximizing profits for dividend distribution during the period of "benefit" so that shareholders may enjoy lower rates of tax on alternative "showing" profits, so as to delay the start of the tax-free or tax-reduced periods granted by law. In other words, these benefits should be used wisely in order to maximize income tax benefits.

**APPROVED AND INDUSTRIAL ENTERPRISES:** It has already been stressed that adequate planning to meet the requirements of the law so as to be defined as an "industrial" or as an "approved enterprise" brings numerous tax benefits. "Approved enterprise" status is dependent upon approval by the Ministry of Industry's Investment Centre after meeting the legal requirements: "industrial" status can be won through foresight and in planning the make-up of the enterprise's income and expenditure, such as "dividing" the business into separate and distinct entities, as mentioned before. By playing off industrial and non-industrial enterprises under identical ownership — it may be possible to maximize the increased depreciation and other deductions allowed on fixed and other assets by including a major share of such assets in the "industrial" framework. It should be borne in mind that there are also payroll and employers' tax advantages that an industrial company has over a regular one.

A similar device is also possible with an approved enterprise, but attention here is focusing on the preferred tax position of the shareholders. Apart from the loans and financial grants, there is no demand that funds be reinvested to enjoy lower income tax rates in the company (the approved enterprise is liable to 25 per cent company tax and is exempt from income tax and greater benefits where the company has foreign shareholders).

It should be noted that the reduced tax rates on dividends apply only to those distributed out of profits earned during the first seven years, commencing in the year when profits were earned for the first time and distributed within 12 years of the end of the seven-year period (hence within 19 years of the original approval). These period limitations vary according to the alternative tax-benefit arrangements selected.

**FOREIGN SHAREHOLDERS:** Where it is legally possible to arrange the shareholdings of a company so that a part or major portion of the shares are held by foreign residents (individuals, companies or other entities) there are several benefits. One is reduced tax rates on dividends, interest and royalties, especially where double tax treaties exist. Another is that exchange rate differences on foreign shareholders' loans in foreign currency are deductible in the company. Difficulties may, however, be encountered under foreign currency-control regulations, which require that the loan be made for a minimum average period of 30 months and bear reasonable interest (currently Libor plus 1-2 per cent).

Foreign-parent companies also have greater tax-planning flexibility including the possibility of "treaty shopping" and "tax routing."

Readers are reminded that a column of this nature is intended as a general guide. Appropriate professional advice and guidance must be sought before any action.

(This is the first of two parts)

The writer is a Certified Public Accountant (CPA). Questions may be addressed to him c/o The Jerusalem Post.

## WORLD BUSINESS IN BRIEF

## U.S. economy grew at 4.8% rate in quarter

WASHINGTON (AP). — The U.S. economy grew at a sizzling 4.8 per cent annual rate in the first three months of 1987, substantially higher than previously thought, the government said yesterday.

Analysts, however, cautioned that the performance of the gross national product deceptively overstated the strength in the economy and they continued to predict a sharp drop in the growth rate for the April-June quarter.

The new report reflected an upward revision from a month ago, when the government estimated GNP growth at 4.4 per cent in the January-March quarter.

Inflation shot up as well, however, with an inflation index tied to the GNP rising at a 4.2 per cent annual rate, the fastest pace in three years. THE DOLLAR made new gains yesterday, trading over 145 yen in Tokyo, and booming stock markets around the globe pushed further into record territory.

"The concerns that were weighing on the market in April and May have eased significantly," said Monte Gordon, analyst, at New York

brokerage Dreyfus Corp., in a comment on Wall Street's rebound. (See New York Financial Markets on page 7 for last prices yesterday.)

The dollar closed higher in Tokyo, at 145.10 yen, up from 144.70 in New York Tuesday night. It traded in Europe yesterday around 144.82 yen and 1.829 Deutschmarks.

Some European dealers said the dollar's present strength was "technical," but others saw a subtle change of sentiment towards the dollar.

London brokers cited Wall Street's overnight rise as a factor behind a firm opening on the London stock market. At 14:30 GMT the Financial Times index of 100 leading shares was up 11.5 to 2320.5, after touching a record 2327.6 during the day. The Tokyo Nikkei Average closed at a record 25,929.42.

**MANUFACTURERS HANOVER** Corp. added \$1.7 billion and Bankers Trust New York Corp. added \$700 million Tuesday to their reserves for potentially bad foreign loans.

Manufacturers Hanover, the nation's sixth-largest bank-holding company, said the reserve addition would give it a second-quarter loss of about \$1.46, and a full-year loss of about \$1.05.

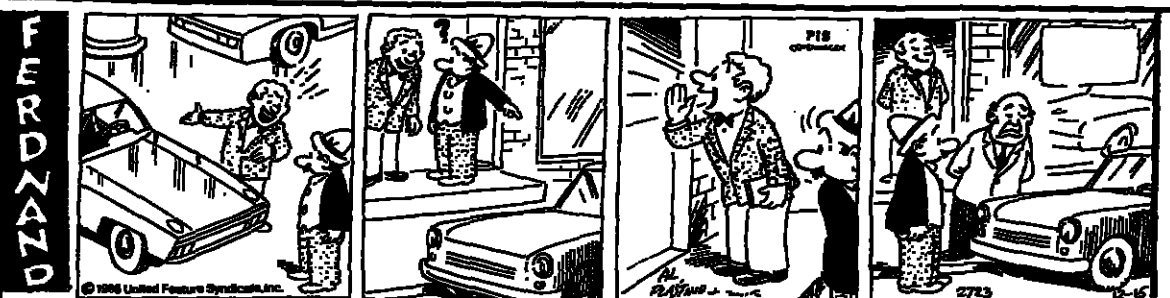
Bankers Trust, the nation's eighth-largest bank-holding company, said it would lose about \$570m. in the second quarter and \$150m.-\$200m. for the full year.

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## CROSSWORD

## ACROSS

- 1 It's businesslike on a simpler form (10)
- 6 Common studies of common faces (4)
- 10 Gunmen turning on a boy is a criminal offence (5)
- 11 No good forecaster! (8)
- 12 An ecclesiastic tea—nothing fancy (8)
- 13 Row a bit (5)
- 15 A fool, and awfully rude too, that's for certain (7)
- 17 An upholder of the Bible (7)
- 19 To reduce consumption is not effective (7)
- 21 Live in a London suburb and keep a drinking-den (7)

- 22 Left to return to the game (5)
- 24 Destroys a great deal in a set-to (5,3)
- 27 In the early part of the year receiving one is cheering (9)
- 28 Throw out some of the Victorians (5)
- 29 Spy having many children (4)
- 30 Anger shown with an establishment—in moderation (10)

## DOWN

- 1 A country where revolutionaries have a point (4)
- 2 Assembled the pots as speedily as possible (9)

- 3 Quickly made a pun up, given the right lead (3,2)
- 4 Where people may reap the fruits of their labours (7)
- 5 A magazine for footballers (7)
- 7 Inferior French and German articles (5)
- 8 Increasing keenness (10)
- 9 Body accompanied by account about the killing (9)
- 14 Loose attachments can cause accidents (10)
- 16 Changing to richer and quite flowery language (8)
- 18 Performance that could result in loss of capital (9)
- 20 Not first-class fruit, but very good (7)
- 21 Makeshift draught-excluder? (4,3)
- 23 Revolutionary state—in a sense one of 5 (5)
- 25 Downright woman presented to the queen (5)
- 26 A viewer's complaint (4)

**Yesterday's Solutions**

ACROSS: 1. CRIMINAL, 2. PUN, 3. REAP, 4. FOOTBALLER, 5. MAGAZINE, 6. FRENCH, 7. GERMAN, 8. ARTICLES, 9. KEENNESS, 10. BODY, 11. ACCOUNT, 12. KILLING, 13. ATTACHMENTS, 14. ACCIDENTS, 15. LANGUAGE, 16. PERFORMANCE, 17. CAPITAL, 18. FRUIT, 19. GOOD, 20. EXCLUDER, 21. REVOLUTIONARY, 22. STATE, 23. ONE, 24. WOMAN, 25. QUEEN, 26. COMPLAINT.

**QUICK SOLUTION**

ACROSS: 5. Quar, 8. Apostate, 9. Denim, 10. Desolate, 11. Brace, 14. Ace, 16. Boater, 17. Bantam, 18. Mob, 20. Mouth, 24. Stroller, 25. Broth, 26. Narrator, 27. Smack, DOWN: 1. Haydn, 2. Boast, 3. Still, 4. Static, 6. Unerring, 7. Raincoat, 12. Monogram, 13. Athletic, 14. Arm, 15. Ebb, 19. Outlaw, 21. Lorry, 22. Sloth, 23. Truro.

## QUICK CROSSWORD

- 1 Captured
- 4 Sequence
- 8 Cereal
- 9 Hermit
- 10 Collected
- 11 South American country
- 12 Age
- 14 Wide smile
- 15 Dauntless
- 18 Finish
- 21 As well
- 22 Acute
- 25 Lengthen
- 26 Representative
- 27 Young relation
- 28 Mean

- 1 Brandy
- 2 Ignorant
- 3 Good-looking
- 4 Formerly
- 5 Submerge
- 6 Contrite
- 7 Self-esteem
- 13 Take out
- 16 Portable light
- 17 Occur
- 19 Requiem
- 20 Guard
- 22 Push
- 24 Stir

GENERAL ASSISTANCE  
EMERGENCY PHARMACIES

Jerusalem: Armon Hanatzi, 23 Dov Gruner, 710480; Balsam, Salah Eddin, 272316; Shu'afat, Shu'afat Road, 810108; Dar Alidwa, Herod's Gate, 262068; Tel Aviv: Netzah Israel, 71 Netzah Israel, 226546; Kupat Holim Clalit, 7 Amsterdam, 226142; Ra'anana-Kfar Sava: Kupat Holim, 45 Ben-Gurion, Kfar Sava; Netanyas: Tzur, 2 Herod, 26656; Krayot-Hatza: No details available; Haifa: Hadass, 53 Horv, 252214.

## DUTY HOSPITALS

Jerusalem: Hadassah Ein Karem (pediatrics, ophthalmology), Bikur Holim (internal, ENT), Shaare Zedek (obstetrics, surgery, orthopedics); Tel Aviv: Rishit (pediatrics), Ichilov (internal, surgery); Netanyas: Laniado.

## POLICE 100

Dial 100 in most parts of the country. In Tiberias dial 524444, Kiryat Shmona 4444.

## FIRE 102

In emergencies dial 102. Otherwise, dial number of your local station as given in the front of the phone directory.

## FLIGHTS

24-Hour Flight Information Service: Call 03-8712484 (multi-line), Arrivals Only (Taped Message) 03-381111 (20 lines).

## FIRST AID 101

Megan David Adams in emergencies dial 101 in most parts of the country. In addition:

Ashdod 51332, Ashkelon 23333, Bat Yam 5511111, Beer Sheva 78333, Carmiel 986595, Dan Region 781111, Elat 72333, Hadera 322333, Haifa 512233, Hatzor 936333, Holon 803133, Jerusalem 529133, Kiron 344442, Kiryat Shmona 94334, Nahariya 923333, Netanya 23333, Petah Tikva 9231111, Rehovot 945133, Safed 30333, Tel Aviv 5480111, Tiberias 790111.

• Mobile Intensive Care Unit (MICU) service in the area around the clock. E-mail: Emergency First Aid, Tel. Jerusalem 22171, Tel. Aviv 5401111 (children/youth 03-261113), Haifa 672222, Beer Sheva 418111, Netanya 29316. Rape Crisis Centre (24 hours), for help call Tel. Aviv 294818, Jerusalem - 245554, and Haifa 362611. The National Poison Control Centre at Rambam Hospital, phone 04 626205, for emergency calls, 24 hours a day, for information in case of poisoning. Kupat Holim Information Centre Tel. 03-426300, 426300 Sunday-Thursday, 8 a.m. to 8 p.m. Friday 8 a.m. to 3 p.m.

Just 4 more days to our Track Record JUNE 22nd

The Olive Corp. (UK) Ltd.  
Money Management  
ISRAEL Representative: "AMERICA HOUSE"  
P.O. Box 33724, Tel Aviv 61336, Israel.

As I am going abroad for some months, I would like to rent my

Luxury, 3 Room, Furnished Flat in Zurich.

Please write to Postfach 1058, Kuesnacht 8700, Switzerland.

HOTEL FRANK NAHARIYA

June 22, 23, 24, 25, 26, 27, 28, 29, 30, 1st July 1987. 100% refund on double room per person in double room. Tel. 03-5401111. Kibbutz.

## READER'S DIGEST NEW D-I-Y MANUAL

Adaptable ideas

Money-saving skills

Easy-to-use materials

Labour-saving tools

Better safeguards

New techniques

Now, anybody can be a do-it-yourselfer!

Reader's Digest New D-I-Y Manual - the simplest to use, most comprehensive do-it-yourself manual on the market.

PRICE: NIS 78.95 incl. VAT

To: BOOKS, The Jerusalem Post, P.O. Box 81, Jerusalem 91000

Please send me the Reader's Digest New D-I-Y Manual.

I enclose a cheque for NIS 78.95.

NAME \_\_\_\_\_ ADDRESS \_\_\_\_\_ CITY \_\_\_\_\_ CODE \_\_\_\_\_ TEL. \_\_\_\_\_

מס' 101



# After 2-week slump Shares are set for rebound

By PINHAS LANDAU  
Post Finance Reporter

Share prices continued their slide yesterday, although at a slightly slower pace than on Tuesday, and market observers claim to discern an improving atmosphere that may indicate the prolonged slump had bottomed out.

Turnovers rose, especially in the morning two-sided trading session, which saw early falls trimmed back somewhat in the later stages. The shares that traded in the morning then held steady, or rose slightly, in the afternoon session.

Market watchers said the afternoon trading session had a less bearish tone to it, evidenced by greater willingness to buy on the part of the traders and fund managers. As a result, they said they will be looking for a "technical rebound" in the market today, a normal development after several successive down days.

The share market has been falling steadily for two weeks, barring a single day of rises last Sunday. Even the low May consumer price index, announced on Monday, and the subsequent round of interest rate

reductions, failed to boost the market.

Index-linked bonds, however, stabilized yesterday after recording sharp falls on Tuesday in the wake of the May CPI. Yields on longer-term, index-linked bonds are in the region of 4.5 per cent. Although this is an unusually high level, many observers expect continuing erosion in bond prices to push yields towards 5 per cent annum.

The dollar-linked bond sector has been performing better, despite the absence of expectations of a devaluation. The bank shares included in the "arrangement" are new trading at yields below 14 per cent per annum, the lowest level in several months.

Yesterday's 2.27 per cent decline in the general share index, excluding for the last six weeks been selling shares of companies within the group. This bearishness has infected other key players in the market. The recent inflow of new money to share-oriented funds has been generally put into cash or liquid reserves by fund-managers, who are not willing to commit themselves heavily to new share purchases.

sharper falls of late April and May.

Many fundamentalists, however, say the market will fall further over the coming weeks, as most prices are still too high on the basis of underlying earnings. In this view, the crop of good news on inflation and interest rates, as well as further improvements expected in the coming months, have already been taken into account by the sharp run-up in prices since the beginning of this year and even earlier.

But even these analysts do not rule out at least a temporary letting-up in the selling pressure. While they expect the market to trend lower over time, they envisage each downward wave being partially corrected.

The Clal group has been especially aggressive in pushing the market lower. Its Betacha brokerage firm has for the last six weeks been selling shares of companies within the group. This bearishness has infected other key players in the market.

The recent inflow of new money to share-oriented funds has been generally put into cash or liquid reserves by fund-managers, who are not willing to commit themselves heavily to new share purchases.

## Bid today to break wage-talk deadlock

By JEFF BLACK  
For The Jerusalem Post

Histadrut and Treasury officials are scheduled to meet this morning in Tel Aviv in a bid to end the impasse in the public-sector wage negotiations.

Histadrut officials are adamant that the Treasury must change its attitude if any progress is to be made in the talks.

The Histadrut's chief negotiator, trade union department head Haim Haberfeld, reportedly warned on Tuesday that he would not show up at today's meeting if he did not receive some new proposals from the Treasury with regard to Histadrut demands. But officials in both the trade union department and the Treasury said yesterday that they expect today's talks to go ahead as planned.

The Histadrut is refusing to relent on its demand for pay rises, saying that there has been a 10 per cent erosion in public sector wages since the beginning of the economic recovery plan.

But the Treasury maintains no further wage increase can be ex-

pected because wages have risen 30 per cent since September 1986. The Treasury bases this figure on increments gained through cost-of-living allowances, grade rises and the application of adjudication agreements.

Trade union department officials said yesterday that if the Treasury continues to adopt this position, the chances of a labour confrontation are high. They warned that public-sector workers have no patience for prolonged negotiations and that wild-cat strikes are likely to break out.

The civil service union, meanwhile, has already declared its disappointment with the pace of the negotiations.

The union has demanded separate negotiations with the Treasury and has threatened sanctions if this demand is not met.

Observers point out that this current atmosphere of demands and threats is a traditional feature of the beginning of general wage negotiations and should be viewed as no more than a flexing of muscles than anything else.

## New policy supplements Kupat Holim benefits

By KEN SHACHTER  
For The Jerusalem Post

TEL AVIV. — An insurance company has introduced a supplemental medical plan that officials say could make some "black medicine" abuses obsolete.

At a press conference yesterday, Harel Shiloah Insurance Co. unveiled its *nishit* (operation) policy. The new programme allows insureds enrolled in one of the major sick funds to buy additional coverage that gives them what amounts to private surgical care.

Under conventional medical plans, like Kupat Holim Clalit, clients in need of elective surgery sometimes find themselves queuing up for months and once the bed is available, they have no control over who performs the operation.

For this reason, it's common practice to pay a fee "under the table" as a way of pushing to the head of the queue and having a voice in the choice of the surgeon.

Under *nishit*, a family of four, whose breadwinner is in his or her early 40s, pays NIS 42 a month. A

member will be able to go for an operation to a variety of hospitals, including: Asuta in Tel Aviv; Herzliya Medical Centre in Herzliya Pituach; Eilat in Eilat and Hadassah in Jerusalem. The patient also can choose from a list of 120 Shiloah doctors, or select a doctor outside the list with the proviso that the plan won't pay a fee higher than the one set for its affiliated doctors.

Yair Hamburger, managing director of Harel Shiloah, said the company expects to sell 10,000 of the new policies in six months and 60,000 over the next four years. The company already has 140,000 policyholders in its dental plan.

In practice, the new plan will resemble the supplementary plans offered in Britain, which has socialized medicine, Hamburger said. Shiloah had, in the past, offered a policy similar to *nishit* paired with Kupat Holim Maccabi. The new plan, which is open to members of any sick fund, was developed in response to inquiries by the public concerned about a health system frequently hampered by strikes and other disruptions, Hamburger said.

## Bank rules eased for tourists

Post Finance Reporter

Tourists on extended visits to Israel who have foreign currency accounts in local banks will be able to make unlimited cash deposits for a period of 45 days from their arrival in the country, the Bank of Israel announced Tuesday.

The change is one of a series of relaxations in foreign currency regulations unveiled by the central bank.

Until now, tourists had had to deposit the money within 10 days of their arrival if they wanted to be allowed to withdraw it later as cash. Withdrawals by cheque or bank transfer were not restricted.

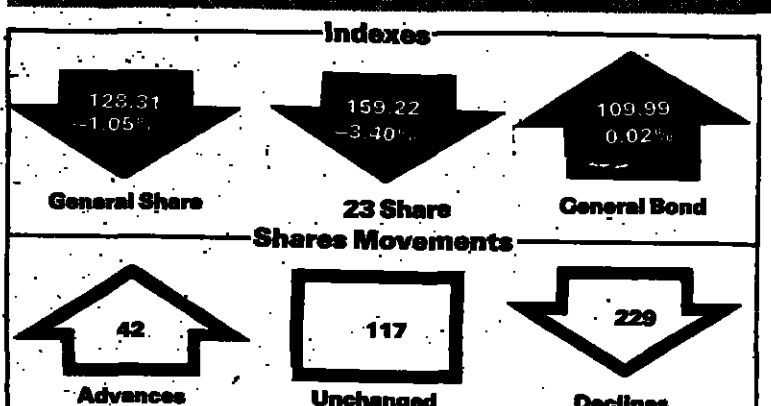
After 45 days, tourists will only be allowed to deposit up to \$1,000 of cash into their accounts.

The regulations were changed following complaints from tourists, who said they often did not have time to transact bank business in the first 10 days of their visit.

Other minor changes were made in the rules governing transfers of foreign currency by importers and exporters. The moves were explained by the central bank as being aimed at eliminating irksome and superfluous controls.

The bank rejected the suggestion that the controls be abolished altogether.

## Tel Aviv Stock Exchange



### Selected Prices

Name	Price	Tenor	% change
<b>Commercial Banks</b>			
Bank Leumi	22250	13	-1.3
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4
Bank Leumi	22000	13	-1.4
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4
<b>Commercial Banks</b>			
Bank Leumi	22250	13	-1.3
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4
Bank Leumi	22000	13	-1.4
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4
<b>Mortgage Banks</b>			
Bank Leumi	22250	13	-1.3
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4
Bank Leumi	22000	13	-1.4
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4
<b>Financial Institutions</b>			
Bank Leumi	22250	13	-1.3
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4
Bank Leumi	22000	13	-1.4
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4
<b>Insurance</b>			
Bank Leumi	22250	13	-1.3
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4
Bank Leumi	22000	13	-1.4
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4
<b>Trade &amp; Services</b>			
Bank Leumi	22250	13	-1.3
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4
Bank Leumi	22000	13	-1.4
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4
<b>Real Estate, Building and Agriculture</b>			
Bank Leumi	22250	13	-1.3
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4
Bank Leumi	22000	13	-1.4
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4
<b>Oil Exploration</b>			
Bank Leumi	22250	13	-1.3
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4
Bank Leumi	22000	13	-1.4
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4

### Statistics

General (incl. argmt.)	148.24	-2.32%
Non-argmt. Banks	175.51	-3.07%
Non-argmt. Banks	115.27	+0.07%
Mortgage Banks	148.24	-2.32%
Financial Inst.	115.27	+0.07%
Insurance	115.27	+0.07%
Commerce & Services	115.27	+0.07%
Real Estate & Agric.	115.27	+0.07%
Food & Tobacco	115.27	+0.07%
Textiles	115.27	+0.07%
Metals	115.27	+0.07%
Electronics	115.27	+0.07%
Chemicals	115.27	+0.07%
Industrial Invest.	115.27	+0.07%
Investment Cos.	115.27	+0.07%
Oil Exploration	115.27	+0.07%

### Bond Indices

Index-linked Bonds	108.92	-0.05%
Fully Indexed	108.92	-0.05%
Partially Indexed	108.92	-0.05%
Foreign Currency	108.92	-0.05%
FC denominated	108.92	-0.05%
FC linked	108.92	-0.05%
Short-term 0-2 yrs	108.92	-0.05%
Short-term 2-5 yrs	108.92	-0.05%
Medium-term 5-7 yrs	108.92	-0.05%
Long-term 7+ yrs	108.92	-0.05%

### Turnovers

Total Shares	NIS 24,216,800
Non-arrangement	NIS 21,233,700
Arrangement	NIS 2,983,100
Bonds	NIS 5,444,800
Treasury Bills	NIS 23,611,800

### Share Movements

Advances	42	(37)
Unchanged	117	(11)
Declines	229	(320)
Advances	42	(37)
Unchanged	117	(11)
Declines	229	(320)

### Trading Halts

Advances	42	(37)
Unchanged	117	(11)
Declines	229	(320)
Advances	42	(37)
Unchanged	117	(11)
Declines	229	(320)

### Market Trends

Index-linked Bonds	108.92	-0.05%
Fully Indexed	108.92	-0.05%
Partially Indexed	108.92	-0.05%
Foreign Currency	108.92	-0.05%
FC denominated	108.92	-0.05%
FC linked	108.92	-0.05%
Short-term 0-2 yrs	108.92	-0.05%
Short-term 2-5 yrs	108.92	-0.05%
Medium-term 5-7 yrs	108.92	-0.05%
Long-term 7+ yrs	108.92	-0.05%

### Arrangement Yields

Advances	42	(37)
Unchanged	117	(11)
Declines	229	(320)
Advances	42	(37)
Unchanged	117	(11)
Declines	229	(320)

### 23 Shares

Name	Price	Tenor	% change
Bank Leumi	22250	13	-1.3
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4
Bank Leumi	22000	13	-1.4
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4
<b>Real Estate, Building and Agriculture</b>			
Bank Leumi	22250	13	-1.3
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4
Bank Leumi	22000	13	-1.4
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4
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Bank Leumi	22250	13	-1.3
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4
Bank Leumi	22000	13	-1.4
Bank Hapoalim	22000	13	-1.4
Bank Mizrahi	22000	13	-1.4

## PETROL

(Continued from Page One)

Defence Ministry, Nesher Cement, the Israel Electric Corp., the Haifa oil refineries and several major petrochemical companies will be allowed to import up to 30 per cent of their crude oil consumption from the world market, or simply buy from the Israeli oil companies.

Now, all Israeli oil is imported by the three domestic oil companies — Sonol Ltd., Delek Fuel Corp. and Paz Oil Co. — who transfer the crude to the refineries on a cost-plus basis. The three companies operate under the "Gibboa agreement," a formal pact that gives 45 per cent of the market to Paz, 35 per cent to Delek and 20 per cent to Sonol.

The oil companies have bitterly opposed the Energy Ministry's reform plan, and have warned that a sharp jump in oil prices could unhinge any deregulation plan.

Still, Shahal said he hoped to press on without the second phase of liberalization later on this year, freeing all petroleum users to cut their own deals on the world market.

The deregulation plan makes allowances for Israel's long-term oil contracts and security considerations by letting the ministry direct buyers to a certain producer — for example Egypt — and then making up the differential in the world price. Israel's major suppliers of crude are Egypt, Mexico and Norway.

## CAMEROON

(Continued from Page One)

the writings of the Zionist founding fathers at the turn of the century. "The Jews should help solve the problems of the Africans, who are suffering too much, and to free them from their distress." There is "a feeling of moral duty (among Israelis) in helping black Africa," said Shamir.

Shamir declared at the press conference that "we know that there are other (African states) thinking about renewing ties with Israel and will do so in the nearest future" — but he declined to name any names. Shamir's 24-hour visit to Cameroon, which began yesterday morning and ends this morning, when the prime minister and his entourage fly to Liberia, was greeted by widespread and friendly press coverage and by a lukewarm popular reception at the airport and along the presidential motorcade's route to the presidential palace.

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## Israel Money Markets

Bank	Deposit	7 days	14 days	30 days
Bank Leumi	22000	13	13	13
Bank Hapoalim	22000	13	13	13
Bank Mizrahi	22000	13	13	13
Bank Leumi	22000	13	13	13
Bank Hapoalim	22000	13	13	13
Bank Mizrahi	22000	13	13	13
Bank Leumi	22000	13	13	13
Bank Hapoalim	22000	13	13	13
Bank Mizrahi	22000	13	13	13

Bank	Deposit	7 days	14 days	30 days
Bank Leumi	22000	13	13	13
Bank Hapoalim	22000	13	13	13
Bank Mizrahi	22000	13	13	13
Bank Leumi	22000	13	13	13
Bank Hapoalim	22000	13	13	13
Bank Mizrahi	22000	13	13	13
Bank Leumi	22000	13	13	13
Bank Hapoalim	22000	13	13	13
Bank Mizrahi	22000	13	13	13

Bank	Deposit	7 days	14 days	30 days
Bank Leumi	22000	13	13	13
Bank Hapoalim	22000	13	13	13
Bank Mizrahi	22000	13	13	13
Bank Leumi	22000	13	13	13
Bank Hapoalim	22000	13	13	13
Bank Mizrahi	22000	13	13	13
Bank Leumi	22000	13	13	13
Bank Hapoalim	22000	13	13	13
Bank Mizrahi	22000	13	13	13

Currency basket	1.6720	1.6930	—	—	1.6974
U.S. dollar	1.5975	1.6175	1.56	1.83	1.8054
Deutschmark	0.8738	0.8848	0.86	0.89	0.8771
Pound sterling	2.6047	2.6373	2.54	2.65	2.6160
French franc	0.2517	0.2649	0.25	0.27	0.2627
Japanese yen (100)	1.1021	1.1159	1.08	1.12	1.1076
Swiss franc	0.7759	0.7856	0.78	0.79	0.7786
					1.0782



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## A government on "hold"

FOOTDRAGGING, often in the wake of a headlong rush to folly, is a time-honoured governmental practice in Israel. But the tendency seems never to have been as strong as it is under the so-called national unity government today to push matters of state to the brink, and then to place them on "hold" for as long as possible.

Take the small matter of university tuition fees. Four weeks ago the cabinet decided by a slim majority of the Likud and its friends to set up a two-tier fee scheme for the next academic year. Its thrust was to favour army graduates, meaning most of the Jewish students, over students exempted from army service, meaning the majority of Arab students.

No staff work had preceded the taking of the decision, for no cabinet staff is in existence, and when the universities, and a large part of the country, exploded in indignant protest the cabinet majority was stunned.

Last Sunday the decision was back on the cabinet's agenda for a review. A proposal to turn the matter over to a public committee - the classic footdragging device - was narrowly defeated. Instead, the cabinet formed an *ad hoc* committee of Likud and Alignment ministers to settle the dispute. For the moment, the matter is on "hold."

In another non-action that day the cabinet chose to wait for a report by Industry and Trade Minister Ariel Sharon about his "negotiations" with the chief rabbis in the matter of *shmitta*-year wheat. Earlier Mr. Sharon had effectively circumvented the chief rabbis in an effort to accommodate their opponents in the ultra-Orthodox *haredi* establishment, whose purpose, as an aide to the Sephardi chief rabbi has suggested, is "to make the whole state their Shabbat day."

For the moment that matter, too, is on "hold," allowing Mr. Sharon some more time to prove himself innocent of the charges of trafficking in *shmitta*-year wheat, at the expense of the wheat growers and the Treasury, in order to buy *haredi* votes for the Likud. The resolution of that controversy will only decide how fast, or how slow, the pace of Israel's "haredization" will be.

Now take the Lavi. The decision on its future may determine the country's capacity to defend itself, and the future of its economy. During the past four weeks the cabinet, sitting as a Ministerial Defence Committee - again because of the lack of preliminary staff work - devoted three sessions to the hearing of military views in the matter of the Lavi, but has only started a discussion that is likely to drag on for several more weeks.

Having been content for some seven years to let the "experts" - despite occasional questioning from the outside - handle the Lavi their own way, the cabinet is now reluctant to reverse course, no matter how pressing this may appear. In the meantime there is talk of - what else? - setting up a committee of ministers to help resolve the issue, which in the meantime is on - what else? - "hold."

Another not entirely insignificant matter of state is on "hold" because half the cabinet - and, more importantly, half the inner cabinet - is determined to keep it there, if it cannot sweep it off the governmental agenda altogether.

The prime minister is well aware that his proposal for a "regional peace conference" is a non-starter. But that is precisely why he has made it. He also knows that the foreign minister's idea, suggested by the Jordanians, for direct negotiations under a symbolic international umbrella, has at least a fighting chance. That is why he and his Likud colleagues will have none of it. They would rather have the status quo forever than any peace involving territorial compromise.

The best that Mr. Peres can thus reasonably expect during the lifetime of the present government under Mr. Shamir's premiership is that his own proposal remain on "hold," so that he can at least continue his efforts to gain support for it outside Israel's borders. It may seem a strange method to run a foreign policy of peace-seeking, but the Likud/Alignment deadlock permits none other.

## Egged's blackmail

BACK TO THE old days: Egged, the country's monopoly bus cooperative, is disrupting its own regular service again.

Not, heaven forbid, to annoy anyone, explains Egged's spokesman, but simply because it can no longer pay suppliers, which in turn is due to the fact that the government - meaning the Ministry of Transport - refuses to shell out the monies the co-op expects of it. So for this reason Egged's undertaking to abstain from any strike action until July 15 - the agreed deadline for the co-op and the ministry reaching a new financial arrangement - does not hold.

Egged believes the government owes it a large sum to help defray the cost of purchasing 1,100 new buses. The ministry says it owes the co-op nothing of the sort, and suggests that Egged would have no money problems had it been less recklessly generous to its own members. The interested bus-riding public cannot even begin to figure out which party it should believe, or in what measure.

Nor should it even begin to do so. The bus-riding public, whose interest is in normal times focused on the quality of the service provided by the two survivors of the great merger movements of the 1940s and the 1950s, Egged and Dan, should do something else. It should insist, first, on an immediate end to the present scandal of a wildcat bus strike. Second, it should insist that an arrangement be worked out to put paid to this recurring scandal by making the monopolistic bus co-ops at long last subject to effective public control.

At the moment, as for decades before, the bus co-ops, formally democratic self-managing bodies affiliated with the Histadrut, are immune to such control in most aspects of their operations. Neither the Ministry of Transport, nor the Registrar of Cooperative Societies, nor the municipalities concerned nor the Histadrut have the faintest notion of how the bus co-ops manage their internal affairs, and what the true basis for their claims for financial assistance could be.

The bus co-ops are public utilities, but they are not public charities. When the government bids them maintain service at less than profit-making fares and along loss-bearing routes, or even to re-equip themselves at considerable expense, a compensation is plainly due. But the size of the compensation can be reliably determined only from clear, detailed, regular and up-to-date information on the co-ops' operations, for which an occasional State Comptroller's report can be no substitute.

Such information has never been supplied, and the bus co-ops - notably Egged - seem to consider it beneath their democratic dignity to supply it. The very notion of effective public control and accountability is anathema to them.

Egged, for one, has only itself to blame if, in the circumstances, it is widely viewed as but a monopolistic capitalist wolf in cooperative sheep's clothing. If it cannot be made to bend to effective public control, and if nationalization is not a viable option, then ways will have to be devised to deprive Egged of its present monopoly.

THE YEAR 2002 has been forecast as the time when Israel's "demographic hell" will occur. In that year, there will be 4.2 million Jews and 3.5 million Arabs living under Israeli rule (Amos Levav, in *Ma'ariv*, June 2, on the repercussions of the Six Day War).

Anyone disregarding this forecast is deliberately sticking his head in the sand. But such forecasts have been repeatedly published during the last 10 years. We systematically disregard the facts that out of every 100 babies born west of the River Jordan, 47 are not Jewish, that in the Gaza Strip alone there will be one million inhabitants.

A process has been set in motion which is leading to our inevitable transformation into a sort of Lebanon where the prevailing system is "catch as catch can," or a South Africa, where the majority does not enjoy equal rights, and is physically segregated. If we should give everyone full political rights, including voting rights, we shall turn into a bi-national state, and in the year 2002, a total of 50 of the 120 Knesset members will be Arabs. That will be democratic, but Israel will cease to be the State of the Jews in Eretz Yisrael.

Whether anarchy, apartheid or binationalism prevails in the country, how will we continue to serve as a focus of identification and attraction to Diaspora Jews, or to our own countrymen who have not lost all moral and

"AMERICAN Jews are up in arms over what they see as the latest attempt to push through a change in the Law of Return, albeit one which would not alter the law itself," said a report in *The Jerusalem Post* (June 8).

My first thought was that Orthodox circles in the U.S., led by the Lubavitcher rebbe, who have been conducting a fierce campaign for an amendment to the Law of Return that would unequivocally invalidate all but halachic conversions to Judaism, were upset over the proposed "change... which would not alter the law." Wouldn't you be upset if you expected a basic alteration and all you got was a superficial change?

Reading on, I learned by implication what was explicitly said in the headline, "U.S. Jews angered by moves to placate Shas..." The story tells of a proposed regulation that would require the rabbinical court of each Israeli locality to validate the conversion to Judaism of any resident of that locality.

Now I wondered which, and how many, American Jews were reaching for their muskets. The first hint was that "at a meeting with the Presidents' Conference Last week, the heads of the leading American Jewish organizations blasted Industry

# The year 2002 is now

Gad Ya'acobi

social sensitivities?

The Six Day War did not resolve our problem with our neighbours - but it did offer prospects for finding a solution. These prospects could be irreversibly lost in the near future.

One does not have to wait for the year 2002. It is happening today, and if we believe that one must think before one acts, let us not wait for "hell" to take over. We must stop it in good time, through a policy of our own initiative.

OF COURSE, the most desirable outcome is a comprehensive peace, with adequate security provisions for Israel, reached through direct negotiations. The opening can be an interna-

tional conference, but this is merely a means. The goal is peace.

But this does not seem to be a goal which is obtainable in a single leap. The gap between even moderate Israelis on the one hand and moderate Jordanians and Palestinians, on the other, is still very wide. Therefore, interim arrangements with Jordan and the Palestinians, which will gradually lead to a comprehensive peace, are necessary.

These may be territorial, functional or a combination of the two. They might be applied, first of all, in the densely populated territories of the West Bank and Gaza Strip, which may eventually be handed over to a Jordanian-Palestinian state, within the

## American Jewish leaders -

# Who speaks for whom?

Moshe Kohn

and Trade Minister Ariel Sharon over the issue..." Which are "the leading American Jewish organizations" among the constituents of the "Conference of Presidents of Major American Jewish Organizations"? The story does not name them. The director of the Israeli office of the American Jewish Congress, which is known to consider itself very, very leading. And his report of Sharon's having been blasted, quoted in full above, is all the evidence that story gives for the assertion that American Jews are up in arms over the issue.

The director of the United Jewish Appeal-Israel Operations is reported to have "received representations from U.S. Jewry over the conflict" (which he conveyed to the prime minister), but that is neither here nor there.

The AJC official characterized the "Who is a Jew" matter as a "side issue," there are certain indications that it may even be a pseudo-issue.

or, rather, an issue that does not exist in the dimensions that he and many like him would have newspaper readers believe.

LET US look at another assessment. "Most American Jews are not disturbed by, nor are they particularly concerned about, the whole issue of religion and state in Israel." So reported Rutgers University sociology Professor Chaim Waxman at the recent conference on "Religion and State in the Perspectives of Israel and World Jewry" at Bar-Ilan University. He based himself on the just-published 1986 *National Survey of American Jews*, conducted for the American Jewish Committee by Queens College and Brandeis University Sociology Professor Steven Cohen.

The survey found that only a little

over one fourth of American Jews are "deeply sensitive to denominational issues in Israel," and less than one third consider that Conservative and Reform Jews are being treated "unfairly" - from "somewhat" to "very" - here.

And about 70 per cent are moderately to highly sympathetic to Israeli Orthodoxy. Waxman said that this was "highly remarkable, since the Orthodox comprise a relatively small minority of American Jewry and both the rabbinical and synagogue organizations of Reform and Conservatism in the United States have frequently protested against the Orthodox monopoly over the rabbinate in Israel and the discrimination against non-Orthodoxy there."

Cohen himself notes that in all American Jewish religious groups, "respondents who were more sympathetic to Israeli Orthodoxy were also more attached to Israel," and, conversely, those more antagonistic

to Orthodoxy were more alienated from Israel.

Finally, regarding "Who is a Jew" - Cohen found that only 28 per cent of the survey sample felt that American Jews "ought to reassess their attitudes toward Israel if the law is amended to exclude conversions by Conservative and Reform rabbis." Forty per cent rejected this proposition, and 32% were not sure.

I suggest that "the heads of the leading Jewish organizations" really ought to concern themselves with other findings of the survey, like:

- Only 34% knew that Menachem Begin and Shimon Peres are not from the same party. Ten per cent thought they are, the rest didn't know.
- Only 34% knew that Conservative and Reform rabbis are not authorized to marry couples in Israel; 23 per cent thought they could.
- Only 10% had "minimal competence" in Hebrew - i.e. could at least conduct "simple conversations, with some difficulty."

In fact, that is what all our institutions and leaders should be concerning themselves with.

The writer, a member of The Jerusalem Post editorial staff, is currently on leave and working for the Caria Publishing Company.

## READERS' LETTERS

### THE COST OF HIGHER EDUCATION

To the Editor of *The Jerusalem Post* Sir, - Irving Kalat's "Case for free education" (June 7) may sound reasonable to an academic who makes his living from an ever-expanding academic establishment. However, he said nothing about the vast expense of maintaining four medical schools for a population of four million. For instance, the north-west of the U.S., including the states of Washington, Alaska, Montana and Idaho, with a population well exceeding that number, makes do with one medical school at the University of Washington in Seattle. Far too many Israeli doctors are found in the U.S. because we produce too many of them in Israel and thus subsidize their yerida.

Mr. Kalat's free education at the City College of New York was paid for by the City of New York. That is the same city which narrowly avoided bankruptcy a few years ago through its profligate spending of public funds. Perhaps Mr. Kalat would like to add another way to

help the Israel government to bankrupt itself, not that such help is needed.

Tuition costs in U.S. colleges generally cover one third of actual costs, with state or city governments covering two thirds from taxes for public institutions, while private ones have to raise these funds from rich alumni or other benefactors. Meritorious students get scholarships and veterans of the U.S. armed forces get study grants.

Finally, students get low-cost loans to study if their parents are in low-income brackets. These loans are paid back once the student starts working after graduation. The higher pay he/she commands because of academic training justifies the investment of a loan.

The average tax payer, who is not an academic, does not owe anyone who wants to become one a free higher education.

ALBERT A. FELDMAN  
Tel Aviv (Seattle, Wash.).

### MEMORIAL ON THE TEMPLE MOUNT

To the Editor of *The Jerusalem Post* Sir, - I was totally surprised to read that Rabbi Goren apparently compares the Agam monument by the Western Wall to a small memorial (60 cm. in height) commemorating "innocent victims of war" (a verse from the Koran), that was placed on the Temple Mount.

I find such statements to be demagogic and only beneficial to our enemies.

The memorial has only an indirect

connection with Sabra and Shatilla. Strengthening this relationship can only raise tensions in the city. Unlike the Agam monument, the memorial on the Temple Mount does not need a licence, and nor do the name plaques that appear in all of Jerusalem's parks and gardens.

AMIR CHESHIN  
Adviser to the mayor on East Jerusalem Affairs  
Jerusalem.

### FOOD ADDITIVES

To the Editor of *The Jerusalem Post* Sir, - As a respiratory therapist from San Francisco, I would like to comment on Martha Meisels' article of May 29 on food additives.

She mentions a case of "a serious asthma attack after eating dried fruit treated with SO<sub>2</sub> (sulphur dioxide)."

We have treated many patients in the emergency room, mostly children, with severe asthma attacks after they had eaten food prepared with MSG. A great many of the restaurants in the San Francisco Bay

area now print in their menus if MSG is used in their cooking. They did this voluntarily after the problem was brought to their attention by the health department and consumer advocates.

STAN HAYES  
Jerusalem.

### Public Notice On the Matter of the Eilat Club Hotel (1980) Ltd. (in Liquidation)

The undersigned intend to submit to the Tel Aviv District Court, Civil Case 614/86, an application for sale of the main asset of the above company, together with a proposed creditors' arrangement according to paragraph 307(a) (5) of the Companies Ordinance (New Version), 1983, and subject to the above arrangement.

The asset up for sale is the company's capitalized lease rights pertaining to an Eilat plot of approximately 37 dunams, on which construction of a decentralized resort hotel is now taking place.

Those interested in submitting bids for purchase of the above asset, subject to the impending creditors' arrangement, may do so within fourteen days of publication of this notice, together with the deposit of a bank guarantee or bank cheque in the shekel equivalent of US\$ 300,000 (three hundred thousand) with the undersigned.

A copy of the sale application and the arrangement proposal is available at the office of the Company Liquidator, Adv. Benyamin Kiryati, 315 Rehov Hayarkon, Tel Aviv, for a non-refundable payment of NIS 575.

Let it be known that the undersigned do not undertake to accept the highest bid or any other bid, and that the undersigned reserve the right to negotiate with the bidders.

In addition, the undersigned have the right to extend the period for accepting bids as they deem fit.

Dr. A. Wolf and A. Stendal, Adv. in their capacity as receivers for the Eilat Club Hotel (1980) Ltd. (in liquidation and receivership).  
Benyamin Kiryati, Adv. in his capacity as Liquidator of the Eilat Club Hotel (1980) Ltd. (in liquidation and receivership).

### POLITICAL EXPEDIENCY

To the Editor of *The Jerusalem Post* Sir, - Without a parliamentary opposition, there can be no claim to parliamentary democracy, and it is clear that Israel has abandoned its vaunted democracy in favour of party political manipulation of power.

In spite of off-repeated promises of reform of the electoral system to enfranchise the man in the street, those in power continue to entrench themselves ever more firmly in the status quo situation.

Politically motivated deals are being made which are horrifying both in their effects and their implications. To secure support for or against elections, well-nigh anything may be offered or negotiated or committed which has no basis in equity and shows no consideration for the interests of the people as a whole. The old and the sick, those needing more and better education

and social services may suffer from lack of funds, and the interests of the community are sacrificed for short-term political gains.

Were Israel a true democracy, there would be outcries in the Knesset representing the voice of Israelis in general. As it is, the weight of the two main political parties stifles all open and serious confrontation.

And the smaller parties! They use their power of giving or withholding their votes to extort concessions to them not as a matter of principle but of political expediency.

Would it not be possible even in this appalling political climate for the two main parties to agree that the political extortion must cease and that neither of them will take advantage of the other in this situation?

DAVID BIER  
Jerusalem.

### CONFUSION IN HAIFA

To the Editor of *The Jerusalem Post* Sir, - As an employee of the University of Haifa since 1981, I have grown accustomed to acquaintances asking me, "Well, what's new at the Technion?" and similar questions reflecting the widespread ignorance that Haifa is the home of two institutions of higher education. What can be dismissed as forgivable ignorance in my circle of friends cannot be condoned in a newspaper.

In *The Jerusalem Post* of June 5, there appeared on page four two stories, side-by-side, that confused the University of Haifa with the Technion.

1. The last paragraph of the story "Strikes - Are they killing elderly patients?" quotes "Prof. Shimon Shert of the Haifa University Medical School." The University of Haifa does not have a medical school, but the Technion does.

2. To the right of the previous article is one entitled "Arab students drawn to Haifa U's dept. of geodesic

### DISPOSABLE DIAPERS

To the Editor of *The Jerusalem Post* Sir, - We have been treated on TV this week to a double dose of the disgrace of old age, on *Kolbotek* and on *Second Look*. We had our noses rubbed in the smells and dirt endured by the infirm old and their families because of the shortage of old-age hospitalization facilities.

May I suggest a very small palliative - large-scale measures are of course out of the question. Not everyone seems to know that there are large disposable diapers to be had for incontinent adults, and not everyone who needs them can pay for them. I suggest that the Ministry of Health make them available at a token price.

There's a hitch to this idea: the local brands of these diapers are not adequately absorbent and the foreign (mainly French) makes are no longer available here. I turn to our all-powered Minister of Industry and Trade and ask him to protect local industry aside for the sake of saving some thousands of unfortunates and their families from daily punishment. Keep out foreign carpets but let in French diapers.

DAFNA ALLON  
Jerusalem.

## סוף שבוע עם התאחדות עיתון לאנשים חושבים

In This Weekend's Ha'aretz

### Conqueror In Spite of Himself

Monologue by a Border Policeman in Judea/Samaria/Ryal Elrich

### All Flatto-Sharon's Dealings

Investigative Report/Zvi Harel

### Budapest Meeting

Report on the meeting with PLO representatives/Hanna Calderon

### Olim with Skullcaps

Ronen Frister

### Will "Cicciolina" Back

the International Conference/Toot Marucci

A. Schweitzer on the Levi as Parable • Nehemia Strasser on Reversing the Displaced Persons of Biram and Dirit • Mordechai Arichel Meisel with Ramat Yishai's Public Figures  
Political Sources/Aviva Eldor with the Prime Minister in Action • Party Corridor/Dan Shahar • Whistling in the Dark/Gideon Samet • Knesset Raah/B. Michael • Week's TV/Edna Ben-Zur

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**The Salvador Dali Exhibition**  
at the  
Tel Aviv Museum  
will close on  
Sat., June 20, 1987.

סוף שבוע עם התאחדות עיתון לאנשים חושבים